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Britain Rules Out Talks on Mine Strike

LONDON — Britain's energy secretary, Peter Walker, ruled out Thursday any more talks on resolving the 11-month coal strike. He told miners that the only way to end the dispute was to return to work.

The National Union of Mineworkers responded by voting to press ahead with the strike, making it almost certain that the dispute will go into a second year. However, the union said it was still willing to negotiate an end to the strike.

Mr. Walker expressed disappointment at the failure of the latest peace efforts and blamed the president of the National Union of Mineworkers, Arthur Scargill.

"I am afraid there will not be more talks," Mr. Walker told a radio interviewer. "Miners will have to decide whether they want to go to work and take what is on offer or whether they want to stay behind Mr. Scargill shouting his revolutionary intentions. We have reached that stage."

On Wednesday, union leaders rejected peace terms worked out by mediators from other unions because the state-run National Coal Board was insisting on the right to shut unprofitable mines.

The two sides hardened their positions after the failure of mediation efforts by a group of trade union leaders trying to bring them together for their first formal talks in almost four months.

The attempt faltered on the issue that originally caused the strike last March: whether mines should be closed on economic grounds.

Union leaders rejected what the mediators called the "best and final" offer from the state-owned coal board on Wednesday on the ground that it involved no concession on pit closures. Mr. Scargill said the latest proposal was "infinitely worse" than the previous one.

The union leaders then went back to work to continue the strike from a conference of more than 100 union delegates.

The union mediation effort had been the highest level attempt to end the strike. Seven union chiefs took part, led by Norman Willis, head of the Trades Union Congress.

Their week of negotiations in-



Peter Walker

cluded a meeting with senior ministers including Prime Minister Margaret Thatcher, her first direct involvement in strike talks.

The collapse of the initiative left the government and the coal board pinning their hopes on the continued erosion of the strike.

Three-quarters of Britain's 188,000 miners went on strike last March but many have drifted back to work. The board says 87,000, or 46 percent, are working. About 1,700 ended their support for the strike this week, it said.

The union called for more support from other British unions and said it was ready for fresh peace talks.

The coal board spokesman, Michael Eaton, said Wednesday that he was "extremely disheartened" by the union's rejection. "We just have no further to go," he said.

The strike began March 12 over coal board plans to shut 20 pits and eliminate 20,000 jobs.

Direct negotiations between the two sides broke down in October and the miners union and the Trades Union Congress have pressed for a resumption.

■ **Miners Go to South Africa**

About 600 former British coal miners are now working in South Africa, where they earn eight times the rate paid to black miners, James Mollins, president of South Africa's mainly black National Union of Mineworkers, said Thursday in Stockholm, according to Agence France-Press.

Nitze Lists Limits on New Arms

Space Weapons Must Survive First Strike

By Bernard Gwertzman
New York Times Service

WASHINGTON — Paul H. Nitze, the Reagan administration's senior arms control adviser, has outlined a set of stringent conditions that he said should be met before the deployment of new defensive weapons in space.

Among these conditions, he said Wednesday, was that the technology "must produce defensive systems that are survivable," able to withstand a preemptive nuclear attack. Otherwise, Mr. Nitze said, "the defenses would themselves be tempting targets for a first strike" and this would "decrease, rather than enhance, stability."

He also said the new systems must be "cost-effective at the margin, that is, they must be cheap enough to add additional defensive capability so that the other side has no incentive to add additional offensive capability to overcome the defense."

If it were cheaper to produce new offensive systems to offset the defensive shield, he said, this would "encourage a proliferation of countermeasures and additional offensive weapons to overcome deployed defenses, instead of a redirection of effort from offense to defense."

The Soviet Union, in justifying its criticism of the U.S. space research program, has argued that any new defensive weapons could have an aggressive purpose, to shield the United States while it attacked the Soviet Union. It warned that this would force the Soviet Union to develop new offensive weapons.

In his remarks before the World Affairs Council of Philadelphia, Mr. Nitze sketched the way that he believed future arms control negotiations and space defense development should be handled in coming decades. The text of the speech was released in Washington.

He said that even if it were tech-

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ACCORD ON INSPECTIONS — Andronik M. Petrosyants, right, chairman of the Soviet State Committee for the Use of Atomic Energy, and Hans Blix, director-general of the International Atomic Energy

Agency, signed an agreement in Vienna on Thursday that provides for agency inspection of civilian nuclear facilities in the Soviet Union for the first time. Moscow called the agreement "a great, important step." Page 4.

Steady Rains Hold Promise Of Relief In Zimbabwe

By Glenn Frankel
Washington Post Service

HARARE, Zimbabwe — The three-year drought that halved food production and crippled national economies in this region appears to be lifting for Zimbabwe and some of its neighbors in southern Africa.

Two months of steady rainfall has doused farmlands and filled two-thirds of Zimbabwe's reservoirs, setting the stage for what agricultural officials cautiously predict may be one of the country's best years ever for food crops.

"Another dry season would have been a terrible disaster," said John Lurie, president of the Commercial Farmers Union. "We need six more weeks of good weather, but so far the season has been excellent and the recovery in some sectors has been almost miraculous."

Silas Hungwe, vice president of the National Farmers' Association of Zimbabwe, which says it has 200,000 peasant farmers as members, said: "We are expecting a bumper crop throughout the whole country."

According to the United Nations Food and Agriculture Organization, rain has also fallen in sufficient quantities in Malawi, Swaziland, Angola, Zambia and parts of Mozambique. Nonetheless, because harvests are not due for several months, the latter three countries and Zimbabwe remain on the organization's list of 28 African nations most seriously affected by drought.

Although there have also been scattered rains in central Africa, analysts say the forecast for the rest of the continent, including Ethiopia, is still in doubt. A senior U.N. official, Bradford Morse, director of the Office for Emergency Operations, said earlier this month that 34 million Africans remained critically affected by drought and famine.

South Africa has not been as lucky as some of its black-ruled neighbors, although good rains since Jan. 15 have prevented a repetition of last year's economic disaster when the country was forced to import nearly three million tons (2.7 million metric tons) of corn.

Analysts this year are predicting a corn shortage of between 500,000 and one million tons.

That opens up the prospect that the white-minority government, which has long boasted of being Africa's breadbasket, may purchase corn this year from some of its black neighbors. In the past, South Africa has purchased most of its grain imports from the United States but the strength of the U.S. dollar may make Zimbabwe's grain more attractive, officials here said.

Botswana and Lesotho also are still suffering from rain shortages. Botswana's cattle industry has benefited from late rains but the country is expected to produce only about 10,000 tons of grain, slightly better than last year but far short of the 190,000 tons the country consumes annually. Botswana, with its large diamond and ranching industries, is one of the few countries prosperous enough to afford large-scale food imports.

There are no official crop estimates available from Lesotho but American observers have projected a possible loss of half the country's usual crop.

Farming is the most important economic activity in this region. Economists have estimated that the drought cost Angola, Botswana, Lesotho, Mozambique, Zambia

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Baldrige Says U.S. Procedures Allow Secrets to Fall Into Moscow's Hands

By Stuart Auerbach
Washington Post Service

WASHINGTON — The Pentagon and other federal agencies allow military and technical secrets to slip into Soviet hands by failing to check documents before they are automatically declassified, Commerce Secretary Malcolm Baldrige complained in a letter to five top Reagan administration officials.

Mr. Baldrige sought help more than a month ago to stop "this massive giveaway program that permits the Soviets to acquire tens of thousands of scientific and technical studies as well as other strategic information."

There was no indication Wednesday that Mr. Baldrige has received any response from his Jan. 16 letter to Secretary of State George P. Shultz, Defense Secretary Caspar W. Weinberger, Donald P. Hodel, who was the energy secretary then; Robert C. McFar-

lane, the president's national security adviser; and James M. Beggs, administrator of the National Aeronautics and Space Administration.

Through a spokesman, Mr. Baldrige declined to comment on the letter, saying he does not discuss classified matters. In the letter, however, he cited "inadequate" results to his requests since 1982 for cooperation from the Defense and Energy departments and NASA to protect strategic information.

Mr. Baldrige was particularly annoyed by what he considered the easy availability of sensitive documents of the Defense Department, with which the Commerce Department has quarreled repeatedly over the disclosure of strategic high-technology products to the East bloc.

Among the studies that Mr. Baldrige said are available to the Soviet Union is one called "A Simula-

tion Model of the Army's Command, Control, Communications and Intelligence Process," prepared by the Defense Department.

The problem with the documents developed, Mr. Baldrige said, because "previous administrations" opened up vast amounts of government studies "to combat what they perceived to be overclassification" and to allow greater public access to government-financed studies.

Although the Commerce Department operates the National Technical Information Service, which acts as a clearinghouse to make documents available to the public, Mr. Baldrige said his department lacks the legal authority to stop the declassification process.

"Moscow has unlimited access to all information in NTIS through the All-Union Scientific Research Institute, which is a prominent sub-

(Continued on Page 4, Col. 4)

Israelis Strike Back At Shiites

Reuters

TEL AVIV — Israeli soldiers supported by Lebanese militiamen raided Shiite villages in southern Lebanon on Thursday, killing at least three people in assaults launched under a new Israeli operation aimed at curtailing guerrilla attacks.

The Israeli drive is aimed at Shiite villages believed to be responsible for most of the recent attacks on its forces, who have lost more than 600 troops since Israel's invasion of Lebanon in June 1982.

Israeli newspapers said the new drive included curfews, preemptive arrests and spot searches.

"There is no sense in getting into a total war with the Shiites, but we have to hit them back so they know they can't make a mockery of us," an officer was quoted as saying.

In Thursday's operations, members of the Lebanese militia, known as the South Lebanon Army, killed two villagers and arrested dozens more in the village of Arab Salim, north of Nabatieh, an Israeli source said. An Israeli colonel was killed Sunday in the village.

In another action, Israeli soldiers raided the village of Deir Qanoun, near Tyre, killing one villager and wounding another, a spokesman for the United Nations peacekeeping forces said. The Israelis withdrew after arresting 15 villagers and demolishing a house.

Lebanese security sources said Israeli troops crossed their new front line for the first time since withdrawing Saturday from the Si-on area. The Israelis raided the Shiite village of Zariyah, north of the Litani River.

Israel's latest offensive against the Shiite guerrillas began less than a week after the Israelis completed the first phase of a three-stage withdrawal from southern Lebanon.

Meanwhile, the Jerusalem Post said Israel had offered sanctuary to Lebanese who feared reprisals for helping Israeli forces. It said some of the collaborators had already been resettled in Israel.

In the past two months, more than 80 people believed to have collaborated with the Israelis have been killed in southern Lebanon.

■ **Appeal From Gemayel**

President Amin Gemayel of Lebanon called Thursday for international intervention to end the Israeli "inhuman practices" following the Israeli sweeps through the Shiite villages. Agence France-Press reported from Bei-

Gandhi on Links to U.S. Arms Sales to Pakistan a Big Problem

By Rone Tempest
Los Angeles Times Service

NEW DELHI — While expressing hope for better relations between India and the United States, Prime Minister Rajiv Gandhi has made it clear that closer ties are hindered mainly by the continued U.S. supply of weapons to Pakistan.

In wide-ranging interviews with the Los Angeles Times, Mr. Gandhi said of U.S.-Indian relations:

"I think it very much depends on U.S. policy. We have an open mind, but there have always been problems with the arming of Pakistan. We see these weapons as ultimately being used against us. This worries us. This is the biggest problem we have with the United States in our region."

"We want to live in peace with all of our neighbors. We can't afford to spend too much on weapons. So far, we have kept our spending to a little more than 3 percent of our gross national product. This is much lower than most other countries. We feel that we are very balanced and that we have not taken sides in the world. We try to judge each case on its own merit."

In the interviews, Mr. Gandhi's first with a Western newspaper since he became prime minister in October after the assassination of Indira Gandhi, his mother, the 40-year-old leader said he was worried by reports of increased funding by the U.S. Central Intelligence Agen-

cy for Afghan rebels based in Pakistan.

"Really, it gives an excuse for the Soviet troops to be there," he said. There have been reports that the CIA is spending more than \$200 million to supply the rebels. "This is the highest they have spent anywhere since Vietnam," Mr. Gandhi said. "That is worrying us as well as the weapons in Pakistan."

Asked if India favored the Soviet position, he said: "We don't like any intervention by any country in any other country. And that goes equally for both major powers, and for smaller powers."

Mr. Gandhi balanced his criticisms of the Soviet Union and the United States. For example, he said he was encouraged by the decision of the New Zealand government to ban from its ports U.S. warships that could carry nuclear weapons. But he did not think that such actions should be taken only against the United States.

"More countries should take a stand against both blocs," he said, "not targeting only one or even the two superpowers. Great Britain, France and China have the weapons."

"What is getting more and more dangerous now," he said, "is this talk of a limited or controlled nuclear war. This is a highly dangerous concept, because I don't think that any such war, once started, can be controlled."

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Regarding the conflict between

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Economy In U.S. Surged

GNP Revised Up To 4.9% Rate In Last Quarter

By John M. Berry
Washington Post Service

WASHINGTON — The economy finished 1984 on much more of an upbeat note than had been reported earlier, with fourth-quarter gross national product rising at a 4.9-percent annual rate, the Commerce Department said Thursday.

That was a percentage point higher than the preliminary inflation-adjusted figure of 3.9 percent released last month and more than 2 percentage points above the initial estimate of 2.8 percent made before the quarter ended Dec. 31.

The latest upward revision in GNP, which is the country's total output of goods and services and the broadest measure of economic health, was based on more complete information on economic activity in the October-December period.

The revision was due primarily to a better trade performance and a smaller drop in business inventories than was estimated earlier. However, some gains in those areas were partly offset by a downward revision in the level of business investment in equipment, the department said.

Economic growth for all of 1984 was also revised upward to 6.9 percent from the earlier estimate of 6.8 percent. The revision left 1984 with the best economic growth in more than three decades — since an 8.3-percent rise in 1951.

The economy's growth slowed unexpectedly in the summer and early fall last year, holding the increase in real output to only 1.6 percent in the third quarter. But growth has accelerated again and more rapidly than many forecasters had expected. Many now believe that the economy will expand by 4 percent or 5 percent this quarter.

Administration and private economists have predicted a growth rate of 4 percent for this year and most agree that is the minimum necessary to improve the unemployment rate.

With the revisions, the economy is now estimated to have grown at a 3.3-percent rate in the second half of 1984, down from the 8.6-percent rate of the first half.

The Commerce Department also revised upward its estimate for inflation in the fourth quarter. The GNP implicit price deflator, which measures changes in certain prices and types of production, rose at a 2.8-percent annual rate for the quarter, rather than the 2.4-percent rate estimated last month.

Similarly, the GNP fixed-weighted price index, a measure that is not affected by changes in the mix of actual goods and services produced, rose at a 3.4-percent rate, a tenth of a percentage point more than the preliminary figure.

Both the level of net exports and the change in business inventories had markedly different impacts on the overall GNP figures in the third and fourth quarters.

The steady stream of better economic statistics in recent months, including the upward revisions in GNP, have convinced virtually all forecasters that any danger of recession this year has all but vanished.

After the unexpected pause in the expansion during the summer, a number of economists had warned that a recession, or at least a period of near-zero growth was at hand. Now, the forecasts generally show solid growth for the rest of the year.

For instance, a recent forecast from Townsend-Greene & Co., a New York consulting firm headed by economist Alan Greenspan, calls for real output to rise at a 4-percent rate or better in the first three quarters and at a 3.4-percent rate in the fourth quarter.



Some of the 16,000 competitors in the rarely run, 124-mile elfstedentocht skating past a windmill in Friesland province.

Icy Race Hits A Warm Spot In Netherlands

Reuters

LEEWARDEN, Netherlands — As hundreds of thousands of spectators flocked to canals to watch, the parliament adjourned a debate and millions watched on television, a 26-year-old dairy farmer won a rarely run skating marathon Thursday over the frozen waterways in the Netherlands.

At the finish of the 200-kilometer (124-mile) race in the province of Friesland, Evert van Benthem, from the tiny northern village of St. Janiskerk, was garlanded by Queen Beatrix.

The race, called the *elfstedentocht*, or 11 cities tour, has been run only 12 times this century. Mr. van Benthem completed Thursday's tour in 6 hours 47 minutes, which is 48 minutes ahead of the record set in 1954. Behind him, 16,000 exhausted competitors struggled.

When the last *elfstedentocht* was run, in 1963, only 214 of about 10,600 competitors finished. But Thursday's weather was quite warm, with temperatures just above freezing, and thousands of those who began were expected to complete the tour.

The weather rarely allows the race to take place, since a sustained freeze is needed to ensure safe ice on the canals and waterways.

Japanese Says West Is No Economic Contender

By Sam Jameson
Los Angeles Times Service

TOKYO — Nobuo Matsumaga, the ambassador-designate to the United States, has declared that Japan is so strong economically that the United States and Western Europe "can't compete at all" with his country under present tariffs.

Mr. Matsumaga, who is to take up his post in Washington late next month, made the unusual comment Wednesday at the Japan National Press Club.

He said that, in golf terminology, the United States and Western Europe must have their handicaps raised in order to compete with Japan.

Japan, the former deputy foreign minister said, received "the strongest blow in the world" as a result of the sharp rise in oil



Nobuo Matsumaga

prices in 1973 and 1974, and has not only overcome the effects of that shock but has grown strong in the process.

"I think the Japanese economy

can cope with rather severe problems," he said. "We should have more confidence in the strength of our economy. The time has come for Japan to pick up the flag of free trade and take the lead in pushing for a new round of multinational trade negotiations."

Except for "a tiny number of items," Mr. Matsumaga said, Japanese tariffs have been reduced to at least the same or lower levels than tariffs in Europe and the United States.

"But our economic strength has changed dramatically," he said. Therefore, he added, "the United States and Western Europe can't compete at all. That is the condition which has developed. We Japanese should pay attention to it."

Mr. Matsumaga said the Japanese take seriously proposals in

the U.S. Congress to impose an across-the-board surcharge on imports.

"If such a surcharge is imposed, there is no doubt that the world economy would move dramatically in the direction of constructing trade," he said. "Great chaos would occur in the management of the world economy."

He said Japan should respond to Reagan administration pleas for "amunition" to combat such protectionist moves in Congress.

Japan, he said, will not be able to shift its policy 180 degrees overnight to open its markets completely in specific areas now at issue with the United States. These, he said, included forestry products, electronics, telecommunications equipment, medical equipment and pharmaceuticals.

Thatcher Says She Has 'Real Hope' For New U.S.-Soviet Arms Talks

By John M. Goshko
Washington Post Service

WASHINGTON — Prime Minister Margaret Thatcher said Thursday she has "a real hope" that the U.S.-Soviet arms control negotiations beginning next month will lead to substantial reductions in the nuclear arsenals of the two superpowers, although she expects progress to be slow.

"What gives me hope are two things," Mrs. Thatcher said at a press conference before concluding a three-day visit to Washington during which she addressed a joint meeting of Congress, met with President Ronald Reagan and the chairman of the Federal Reserve, Paul A. Volcker.

"First," she said, "is the nature of the weapons themselves and the belief that we have too many on both sides. Secondly, I think the Soviet Union and the West both wish to maintain security but at a lower level in the numbers and cost."

Mrs. Thatcher, who met with a Soviet Politburo member, Mikhail

S. Gorbachev, in December, said she believed that East-West meetings on a wide range of issues could help to promote the arms control process.

She said: "I found the greatest possible interest on Capitol Hill, and indeed everywhere in Washington, in the view we have taken after Mr. Gorbachev's visit to London that we should have as many talks as possible with the Soviets. If we are to get better results in arms control, we have to have a better dialogue and understanding."

Although Mrs. Thatcher is known to be concerned about the effects of the U.S. budget deficit on the British economy, she said that she had not given Mr. Reagan advice about reducing the deficit or bringing down the rising value of the U.S. dollar.

"I don't think he needs any messages to get the deficit down," she said. "He is very much aware of the problem. It's an enormously difficult job, whether in the United States or Britain, and I don't have any list of rapidly ready answers that I could pull out and give to you."

She reiterated her support for Mr. Reagan's Strategic Defense Initiative of research into anti-missile defense systems. But she also emphasized her Dec. 22 agreement with Mr. Reagan that the 1972 Anti-Ballistic Missile Treaty bars the United States from deploying such systems without future negotiations with the Soviet Union.

"It is acknowledged that if it comes to deployment, you must negotiate," she said. "In any case, we are talking about something that involves an enormously long time — many, many years — between research and any deployment" of anti-ballistics systems or other space weapons.

Mrs. Thatcher also said that Britain agreed with the United States in its decision to withdraw from nearly all military cooperation with New Zealand because of that country's refusal to permit port calls by U.S. warships that are carrying nuclear arms.

"I am as disappointed as you are over the approach taken by the prime minister of New Zealand," she said. "He knows my view."

British officials made clear that when Prime Minister David Lange arrives in London later this week, he will be advised that Britain intends to follow the U.S. lead and refuse to allow British vessels to call at New Zealand ports if they are required to say whether they carry nuclear weapons.

Mrs. Thatcher said Britain felt "very close" to New Zealand, a member of the Commonwealth, and would be "very disappointed" if British ships are unable to go there.

But she added: "I have no intention of answering questions about the strategic condition of British warships. I hope they will not ask. I cannot and will not answer that question."



Margaret Thatcher met with Paul A. Volcker, chairman of the Federal Reserve Board, in Washington on Thursday to discuss the effects of the U.S. deficit and the rising dollar.

Genscher Is Leaving Party Post In Germany

BONN — Foreign Minister Hans-Dietrich Genscher is due to step down as leader of West Germany's Free Democratic Party this weekend in an apparent attempt to heal internal divisions and reverse the party's flagging fortunes.

Mr. Genscher, 57, is due to hand over the party chairmanship to Economics Minister Martin Bangemann at a congress in Saarbrücken aimed at ending more than two years of upheaval and often acrimonious policy disputes within the party.

The longest-serving foreign minister in the West after a decade in office, Mr. Genscher has said he is standing aside because government work leaves him too little time to deal with party affairs and prepare for an election due by 1987.

However, leading party officials say he has responded to pressure for a new leader to help to overcome deep internal divisions left by the Free Democrats' switch from a coalition with the Social Democrats to an alliance with the Christian Democrats in 1982.

"Genscher knows that his critics in the party will not keep quiet while he is still in charge," a senior West German diplomat said. "He also knows that if the FDP doesn't soon pull itself together, it faces political extinction."

After the Free Democrats joined Chancellor Helmut Kohl's Christian Democrats to form a center-right government, dozens of senior and middle-ranking officials quit and its popularity plummeted.

According to opinion polls the party, which has 35 members in the 520-seat West German parliament, now has the support of only three percent of the electorate. This puts it below the minimum of 5 percent of the votes needed to secure a place in the assembly and would mean political annihilation in an election.

Party strategists have argued that the Free Democrats needs a more united and vigorous image if they are to recoup their popularity. Mr. Genscher, chairman of the Free Democratic Party since 1974, has said he will continue in office as foreign minister and even expressed hopes of occupying the post after the next general election.

But he has also pledged to leave the running of the party entirely to Mr. Bangemann, 50, who has said he will seek to reforge an image of a credible and indispensable alternative to the major parties.

Although Mr. Bangemann's enthusiasm and gifts as a speaker appear to have made an impact, many West German commentators remain doubtful that he will be able to pull the Free Democrats out of their decline.

Some predict tension between the new chairman and Mr. Genscher, who helped to remove Mr. Bangemann as the party's general-secretary in 1975 after he criticized the alliance with the Social Democrats.

Others believe he will be unable to pacify some leftist liberals in the party who have made clear they dislike his commitment to more rightist economic policies and strict limits on social services.

The strength wielded by the party's leftists is likely to become evident at the Saarbrücken congress when it discusses and votes on a new basic party program. Critics have said the proposed new program is too far to the right of the present one, drawn up in 1971.

WORLD BRIEFS

Hundreds More Arrested in Pakistan

ISLAMABAD, Pakistan (AP) — Hundreds of people have been rounded up during the past four days to prevent them from campaigning for a boycott in the national elections scheduled next week, the military authorities acknowledged Thursday.

A government spokesman said 369 people were arrested under "preventive detention" measures incorporated in martial law regulations. He said those arrested were "trying to persuade the people not to take part in the elections," adding, "we want to ensure that the elections are held in a peaceful atmosphere."

Newspapers said more than 650 persons have been placed in custody so far. The latest arrests were believed to be the largest number in a single sweep during the current crackdown. Campaigning for national and provincial assembly elections began six weeks ago.

Greece, U.S. to Sign Aviation Accord

ATHENS (AP) — Greece and the United States have reached agreement on a one-year civil aviation accord for U.S. airlines flying into Greece, a government spokesman said Thursday.

The spokesman, Dimitrios Maroudas, said U.S. and Greek officials would sign the new agreement on Friday. But the agreement, which extends the present status of civil flights between the two countries, does not solve a long-running dispute over how many U.S. airlines should be permitted to fly into Greece.

At present only Transworld Airlines runs scheduled flights to Greece. Talks will continue over the next year for a new long-term agreement and balanced financial regulations will be made by both sides," Mr. Maroudas said. Greece unilaterally abrogated a 1946 civil aviation agreement last year, saying it was "one-sided and colonial and gave excessive rights to American civil aviation at the expense of Olympic Airways."

U.K. Program on Phone Taps Banned

LONDON (Reuters) — A television documentary claiming that Britain's counterespionage service taps the telephones of unionists, leftist politicians and pacifists, has been banned from being broadcast, its producer has said.

The allegations were made in a documentary, "MI5's Official Secrets." The show's producer, Claudia Milne, said the Independent Broadcasting Authority, which supervises commercial television, banned the film because it believed that it breached the Official Secrets Act. The program was scheduled to have been shown Wednesday.

The general secretary of the Campaign for Nuclear Disarmament, Monsignor Bruce Kent, said: "It is a very cowardly approach." Larry Gostin, general secretary of the National Council for Civil Liberties, said: "The IBA is aiding and abetting a cover-up instead of protecting the public's right to know."

Isabel Peron Resigns as Party Leader

BUENOS AIRES (AP) — Peronist Party officials said Thursday that Argentina's former president, Isabel Peron, who lives in seclusion in Spain, has resigned as leader of the party founded by her late husband.

The party officials said Mrs. Peron announced her "irrevocable resignation" in handwritten letters. Mrs. Peron moved to Madrid when the military freed her and has not been involved in day-to-day party activities. But despite that she has remained the movement's figurehead, with powerful symbolic influence through her status as Peron's widow.

Isabel Peron served as Juan Peron's vice president when he returned from exile and was elected president in 1973. She succeeded him after his death the following year, but the military deposed her in 1976 and kept her under house arrest for five years. Her term as president was marked by growing political chaos and economic mismanagement.

Vatican Employees Schedule Strike

VATICAN CITY (Reuters) — The union representing lay Vatican employees has scheduled the first official strike in the history of the Vatican for Tuesday unless demands over pay and other issues are met, a union official said Thursday.

The union, representing about 1,650 lay employees, called for the strike during a meeting of about 50 delegates. It is set to last 24 hours to press a series of demands on salaries, overtime payments, seniority rights and other matters. There has never been a strike by Vatican employees, although there have been unofficial slowdowns and protests.

The strike may affect the operations of the Vatican daily newspaper, L'Osservatore Romano, Vatican Radio, the postal service and the museums. It will not affect the Swiss Guard or security personnel and the union has guaranteed that essential services will be carried out. Pope John Paul II has strongly defended workers' rights and he has recognized the union. But Vatican sources have said he wants an agreement to be reached without a strike.

Greek Newspaper Publisher Is Slain

ATHENS (AP) — A gunman Thursday killed a conservative Greek newspaper publisher, Nicholas Momferatos. The police said his driver was wounded and in critical condition.

The police found a leaflet at the scene signed by November 17, a leftist group that has claimed five assassinations, including those of two U.S. diplomats, since 1975. Mr. Momferatos, chairman of the board of directors of Apogefantini, was killed at a busy intersection, according to the Athens police chief, Manolis Botsinakis. The gunman fired through a closed limousine window as the publisher was being driven to his office in the city center, the police said.

Sweden Toughens Anti-Apartheid Law

STOCKHOLM (UPI) — Sweden's parliament has toughened its sanctions against the South African policy of racial discrimination by widening a ban on Swedish investments in South Africa and it urged other nations to follow suit.

Mats Hellstrom, the minister of foreign trade, said the new law aims to express "Sweden's abhorrence of the apartheid regime" in which the white minority of South Africa segregates and denies civil rights to its 22 million blacks. "I encourage as many countries as possible to take similar action, even at the cost of market shares," he said.

The new measure, approved by 220-78 Wednesday, closes loopholes in a 1979 law banning Swedish companies from making new investments in South Africa and Namibia. It prohibits long-term leasing as a means of circumventing the investment ban and provides a clause empowering the Swedish government to stop technology transfers to South Africa. Eleven Swedish companies operate in South Africa, with a total yearly turnover of about \$180 million.

5 Ordered to Leave New Caledonia

NOUMEA, New Caledonia (UPI) — Edgard Pisani, the special French envoy to New Caledonia, expelled Thursday five rightist activists, including a local political party leader, from the French colony in the South Pacific.

The five, who are originally from France but have lived in New Caledonia for more than 10 years, were ordered to leave their island homes before midnight Thursday because they "belong to an organization likely to disturb the peace," Mr. Pisani said.

The expelled group included Claude Sarraz, leader of the rightist Caledonian Front party. The five were accused of leading a group of white loyalists into the native separatist stronghold of Thio on Sunday, causing a battle between police and separatists in which 11 persons were injured.

For the Record

Greece's transportation system was disrupted Thursday when 100,000 taxi, truck and bus drivers began a 24-hour strike to back demands for better pensions.

President Ronald Reagan was scheduled to hold the first news conference of his second term Thursday night in Washington, beginning at 1 A.M. GMT Friday. It was to be Mr. Reagan's 28th formal question-and-answer session with reporters.

Rains Hold Promise of Relief in Zimbabwe

(Continued from Page 1)

and Zimbabwe at least \$2 billion. The Food and Agriculture Organization has estimated that the drought forced the six countries to import at least two million tons of grain last year alone.

The coming of the rains is expected to have a ripple effect throughout the economy. It also has impact on the political and social climate, and has contributed to a mood of optimism here among peasants and the predominantly white business community that could aid Prime Minister Robert Mugabe's bid for a larger majority in this year's national elections in Zimbabwe.

"There's no question the drought had cast an enormous shadow over everyone," said Mr. Laurie. "But now there's a greater feeling of confidence, a feeling that we're finally over the hump."

Emergency-Aid Bill Gains WASHINGTON — Two U.S. House appropriations subcommittees voted unanimously Wednesday to provide \$880 million in emergency food aid to African famine victims, more than triple the amount requested by the Reagan administration. The Washington Post reported.

The full Appropriations Committee was expected to approve the emergency measure Thursday. The committee chairman, Jamie L. Whitten, Democrat of Mississippi, said he hoped to bring the matter to the House floor for a vote early next week. The Senate is set to begin work on similar measure.

Gandhi Says Arms Sales Hurt Ties to U.S.

(Continued from Page 1)

the United States and the Soviet Union over the presence of more than 100,000 Soviet troops in Afghanistan, Mr. Gandhi said: "We want both sides to lay off, to put it bluntly."

The prime minister also said that India would not resume its program of developing nuclear weapons, even if Pakistan makes its own bomb.

"It is very difficult to foresee every situation," Mr. Gandhi said, "but at the moment I don't see a situation arising where we would start up again making the bomb. Just the fact that Pakistan made a bomb would not make us change our policies."

"We don't want to become the same as the others," he added. "That would only make the situation worse, not better. It would make us no different than the others who are making a bomb, whom we are trying to talk out of making a bomb."

On a two-day television campaign trip through four Indian states and 25 cities, the picture of Mr. Gandhi that emerged was that of a leader who seems more objective and open-minded, less strident and polemical, than his mother, who ruled India for 16 of the past 18 years.

In the two days of strenuous campaigning, aimed at winning control of state legislatures for his Congress (I) Party, Mr. Gandhi appeared before wildly enthusiastic crowds in cities and tiny, tribal hamlets alike. The crowds, the largest of which numbered about 300,000 people, were estimated to total more than 2 million people.

"During the parliamentary campaign," said P.P. Pandey, a journalist who often accompanies the prime minister, "people said the crowds were coming just to see the new man or because of sorrow over his mother. Now they are coming to see him. They are his crowds."

Mr. Gandhi's anti-corruption campaign has been the boldest of his efforts since his landslide election in December.

During the parliamentary elections, he dropped many incumbent Congress (I) candidates who had served under his mother. For the March 2 and March 5 state assembly elections in 11 states, Mr. Gandhi and his young advisers cut hundreds of Congress (I) incumbents, including dozens of state ministers, from the party lists.

In an informal discussion on board his plane, Mr. Gandhi described the anti-corruption effort as an agonizing and dangerous move. To purge the rolls of candidates he felt had been corrupt or ineffective meant eliminating many longtime professional politicians, including many who had been strong allies of his mother.

"The system over the years has slowly deteriorated," he said, "and the corruption sort of inched itself in at all levels — everywhere."

Gandhi's Views On Domestic Issues

Sri Lankan Fears About India:

I made it very clear to press reporters the other day that there is no question of India's intervening in Sri Lanka. But I don't think they are fully in control of their armed forces. We're getting terrible reports about the army in our newspapers. That makes it difficult for us. I told Lalith Athulathumudali [the Sri Lanka minister of national security, who met with Gandhi two weeks ago], "as long as there is a feeling in India that you are committing atrocities on the civilian Tamils — not the terrorists, but the nonterrorists — it is very difficult for us to help you."

India's Role as a Nuclear Power:

It is very difficult to foresee every situation, but at the moment I don't see a situation arising where we would start up again making the bomb. Just the fact that Pakistan made a bomb would not make us change our policies. We don't want to become the same as the others. That would only make the situation worse, not better. It would make us no different than the others who are making a bomb, whom we are trying to talk out of making a bomb. We have been a very good example to the world. Firstly, because we can make a nuclear bomb, and have not done so. Secondly, because we will not be drawn into a race.

His Anti-Corruption Drive:

We've got our fingers crossed. We've really taken on the whole test at one blow. We could have tried it piecemeal, but we probably never would have made it. The system over the years has slowly deteriorated, and the corruption sort of inched itself in at all levels — everywhere. We've got to change the mental attitude of the people about government.

India's Population Growth:

Our program is much bigger than it has ever been before. We are concentrating on it. It really is



Rajiv Gandhi

a make-or-break thing with India. If family planning doesn't work, then nothing else will work. One thing we need is a comprehensive program. There is no one method which can be satisfactory for everyone. One of the key issues is education, more specifically, women's education. By that I mean not education about family planning, but just education, normal education.

Family Planning:

There is no tension on this issue at this moment. One method [of sterilization] that is becoming extraordinarily popular is laparoscopy. Women are really going for it in a big way. They have camps set up in villages and schools, where the doctors go with their laparoscopes and equipment. And the women just wait and won't go away. I've had doctors tell me they've had about 900 operations in one day. The women have even made up songs about it that they sing in their camps.

Chess Chief Denies Soviet Urged End to Game

By Henry Kamm
New York Times Service

ATHENS — Florencio Campomanes, who halted the marathon world chess championship between Anatoli Karpov and Gary Kasparov last week, said Thursday that he would consult the players before deciding whether to order an early resumption of the match.

The president of the International Chess Federation said in an interview before flying home to Manila that so far he has spoken only with Mr. Karpov, the champion. He said he had been unable to reach Mr. Kasparov.

Mr. Campomanes, who will reach Manila on Friday, said he had asked the Soviet chess authorities to arrange a telephone conversation with the challenger. He declined to disclose what was said in his discussion with Mr. Karpov.

The champion continued the dispute Tuesday when he visited Western news organizations in Moscow to deliver the text of a letter to Mr. Campomanes demanding the immediate resumption of play.

Mr. Campomanes set off what has become a major scandal in the chess world when he announced at a news conference in Moscow that the players and others connected with the five-month match were too exhausted to continue.

In Athens, Mr. Campomanes testily rejected widely voiced suspicions that he had been influenced by Soviet chess authorities to save Mr. Karpov's crown. The suspi-

cions arise from a belief that the authorities favor Mr. Karpov, who is a Russian firmly established in Communist Party circles, over Mr. Kasparov, also a Soviet citizen but an Armenian of Jewish background and believed to be less highly regarded.

"No one can pressure me, especially when it comes to chess," the 38-year-old Filipino said. "It is what I hold dear, hold dearest. It is my only religion."

Mr. Campomanes said that his halting of the match after 48 games, 40 of which ended in draws, deprived Mr. Karpov of an advantage rather than favoring him. The champion won the first five games in the series in which the player who wins six becomes champion.

But while Mr. Karpov showed increasing tiredness, the challenger rallied to win three games. After Mr. Kasparov's third victory, Mr. Campomanes made his surprise ruling.

He pointed out that his decision to order a new match starting in September with a score of 0-0 caused the champion to lose his automatic right to a return match. Mr. Campomanes added:

"Maybe there is a little politics in this," Mr. Campomanes said. "Many people associate Mr. Karpov with the 'establishment.' Maybe those who want to be critical of the Soviets want to take up the cudgels for Kasparov."

He said that the challenger had originally given his assent to the halting of the match by not protesting at the news conference until after Mr. Karpov rose to demand continuation of play.

"Silence is acquiescence," Mr. Campomanes said. He added that he believed Mr. Kasparov insulted him in Russian when he made his protest, although he had not received a translation.

"I'm going to deal with him properly at the proper time," he said.

Mr. Campomanes said his decision had been based on his concern for the cause of chess only and had been under consideration by himself and many chess authorities and officials for a long time.

"I have to worry about the two greatest players in the world," he said. "It is my responsibility. They can hang me, crucify me, but I wonder whether they would still do it with the hindsight of one year later."

"We are dealing with two excellent players who have achieved almost the perfect way of achieving a draw," he said. The match was drawn out to its record length by 40 draws. "If they don't want to risk anything, they know how to draw. They are two experts at tie-tac."

WASHINGTON — U.S. officials, in two days of talks with Soviet diplomats, held a "one-way conversation" on Afghanistan and proposed a conference on the Middle East, a State Department official said Thursday.

The State Department said no agreements had been reached in the talks on Middle East issues with Soviet officials in Vienna on Tuesday and Wednesday, and no follow-up meetings were scheduled.

The closed talks, the superpowers' first high-level official discussions on the Middle East since 1977, were described beforehand as an "exchange of views," not negotiating sessions.

"We were not attempting to reach any agreements or understandings," said a department spokesman, Edward Djerejian. "The meetings nevertheless were useful in clarifying each side's policies and positions. They were conducted in a business-like atmosphere."

Richard W. Murphy, assistant secretary of state for Near Eastern

New York's Subway Gunman Files Countersuit Against Two Victims

The Associated Press

NEW YORK — Bernhard H. Goetz has filed \$1 countersuits against two of four youths he shot after they confronted him on a New York subway.

One of Mr. Goetz's lawyers said Wednesday, after filing the countersuits, that Mr. Goetz did so to prove that "he was justified and

right" in the shooting. Mr. Goetz's lawyers also filed papers Wednesday asking that multimillion-dollar lawsuits by two victims be moved from state to federal court.

Mr. Goetz was arrested for the Dec. 22 shootings of four youths he said menaced him on a New York subway. A Manhattan grand jury indicted him only for illegal gun possession.

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U.S. to Send El Salvador 4 Helicopter Gunships

By Robert J. McCartney
Washington Post Service

WASHINGTON — The U.S. government plans to supply El Salvador with four rapid-fire helicopter gunships that the Reagan administration says will expand significantly the ability of the Salvadoran armed forces to patrol roads and carry out quick-reaction airborne assaults, U.S. officials said this week.

The Hughes 500 helicopters are to be equipped with multiple-barrel guns capable of firing 5,000 to 6,000 rounds a minute, roughly double the maximum rate of fire of two C-47 airplane gunships delivered to El Salvador in December.

A U.S. Embassy spokesman in San Salvador said Tuesday that the new gunships were "in the pipeline" and could arrive in El Salvador within the next three months.

The use of the C-47 airplanes aroused argument in the U.S. Congress, where some Democrats expressed concern that the steadily escalating air war in El Salvador increases the likelihood of civilian casualties. The delivery of the new Hughes helicopters appeared likely to fuel further criticism.

In addition, new questions have arisen about three Hughes 500 helicopters, one equipped with a similar rapid-fire gun, already in the Salvadoran arsenal.

Congress generally has backed the administration's policy in El Salvador since the inauguration in June of President Jose Napoleon Duarte, but the air war is one issue regarding El Salvador where congressional skepticism remains high.

Congressional critics say they

are particularly concerned that the administration is strengthening the Salvadoran Air Force without a full debate on the types of weapons being provided or on how they are to be used.

The four new helicopters were approved as part of a supplemental appropriation last year. But at least one member of Congress has raised concern about three other Hughes 500 aircraft, already in El Salvador, that were not included on a list of U.S.-supplied weaponry that the State Department provided to Congress in November.

Senator Edward M. Kennedy, Democrat of Massachusetts, sent a letter to Secretary of State George P. Shultz asking how El Salvador had acquired the three aircraft, and the rapid-fire gun, and "in what situations they are used."

Of the three Hughes helicopters already in El Salvador, the one equipped with a rapid-fire gun has been used to support airborne assaults and provide covering fire for ground troops, a military source in San Salvador said. He said that one of the three was obtained in 1979 and the other two came in 1982 or 1983, although he did not know from where.

El Salvador's U.S.-supplied air force has expanded substantially since Mr. Duarte's inauguration. Its fleet of Huey UH-1 helicopters, with machine guns but used primarily to ferry troops, has nearly doubled to 39, including four medical evacuation helicopters. Last month three A-37 Dragonfly jet bombers were added to the six already there.



Edwin Meese 3d

New Director Only One of Many Changes at Justice

By Ronald J. Ostrow
Los Angeles Times Service

WASHINGTON — Edwin Meese 3d, who awaits virtually certain confirmation by the Senate to be U.S. attorney general, has generated both greater fears and higher expectations than any nominee for the nation's top law enforcement post in at least two decades.

The skeptics, questioning Mr. Meese's administrative competence, cite his legendary bottomless briefcase, in which paperwork is said to disappear. They contend that Mr. Meese, one of President Ronald Reagan's top aides during his first term, has a record of appointing assistants who are high on ideological commitment but low on practical knowledge.

His supporters expect him to

push more vigorously on the social issues, including abortion and school prayer, than his predecessor, William French Smith. They predict that Mr. Meese, a former prosecutor in Alameda County, California, with an unflagging support

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for law enforcement, will forge strong ties with law enforcement agencies across the country.

This much is sure: Mr. Meese, whose nomination has been pending before the Senate for more than a year while the Senate Judiciary Committee, an independent counsel and the Office of Government Ethics investigated conflict-of-interest charges and other allegations, will take command of a department that has dramatically shifted during Mr. Reagan's first term.

Under Mr. Smith, for example, the department began to oppose school busing and job quotas as civil rights remedies and to relax antitrust barriers to corporate mergers. Only Mr. Smith's low profile and nonconfrontational style, qualities Mr. Meese's supporters acknowledge are in short supply with him, prevented these 180-degree turns from exploding into major political issues.

It is a department that is ripe for more change. Five of the 11 assistant attorneys general are serving in an acting capacity until Mr. Meese recommends full-time appointees to Mr. Reagan. J. Paul McGrath, assistant attorney general for antitrust, has announced that he will leave April 1.

Carol E. Dinkins is expected to step down soon as deputy attorney general, and Solicitor General Rex E. Lee, a key policymaker and the government's chief advocate before the Supreme Court, is likely to leave at the end of the court's current term.

"It's practically a whole new department, much like the start of a newly elected president's first term," said a former administration official who has worked with

Mr. Meese. "That's why the major wait-and-see point about Ed is the kind of people he chooses to come to Justice. One of his weak points has been the people he picks."

Mr. Meese's reputation as a poor manager has the department edgy. An official who has worked with him said:

"He has a good and quick mind, but he acts on what is put before him with a large dose of instinct. Articulation of long-term goals and the means to accomplish them is not the sort of things he spends time on."

Mr. Meese's seeming commitment to conservative ideology is also worrying some department officials. One said Mr. Smith, a well-credentialed political conservative, consistently opposed the expansion of governmental powers even when used for such conservative causes as stopping abortion.

Mr. Meese had no such compunctions, according to another former official who worked with him. "It always looks easier to do something from the White House than from Justice," he said.

Some officials contend, however, that Mr. Meese's reputation as a right-winger has been overdrawn. Other officials say Mr. Meese will not necessarily follow the same

Lunar Eclipse of Pluto Shows Planet Has Moon

Washington Post Service

WASHINGTON — Astronomers in Texas, taking advantage of an opportunity that occurs only for a short period every 124 years, have witnessed an eclipse of the planet Pluto by its moon, confirming that the planet actually has a moon.

The observation was made early Sunday morning. Preliminary evidence of the moon emerged in 1978 and astronomers named the object Charon. But they needed confirmation to gain official recognition of the satellite by the International Astronomical Union.

ideological path at the Justice Department that he pursued in the White House.

Mr. Meese will have plenty to do in his new job: trying again to reform immigration law through penalties for employers who knowingly hire illegal aliens and amnesty for illegal aliens already in the country; obtaining the get-tough provisions, such as restoration of the death penalty and limiting habeas corpus appeals, dropped from last year's sweeping criminal law revision; and taking an official position on the sensitive question of whether

to guarantee equal pay for persons in "comparable" jobs.

But cases involving two individuals important to the Reagan administration may prove to be the most sensitive issues Mr. Meese confronts in his first days. They are Labor Secretary Raymond J. Donovan, who is on leave while under state indictment in New York, and Jackie Presser, president of the Teamsters Union and Mr. Reagan's most powerful labor supporter, whose prosecution for labor fraud has been recommended by federal attorneys.

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U.S. Court Stirs States Rights' Furor

By John Herbers
New York Times Service

WASHINGTON — A furor has erupted among American governors, mayors and other local officials over the Supreme Court ruling that 13 million state and local government employees are subject to U.S. wage and hour standards.

Some said that Tuesday's 5-4 decision would raise costs and increase bureaucratic red tape.

But beyond that, there is a consensus that the ruling struck at the heart of efforts by state and local governments to win broader authority through the courts to operate their jurisdictions with less interference from Washington.

Governor Bruce Babbitt of Arizona, a Democrat who is a leading advocate of restoration of state powers, said he was particularly concerned about "the aura of totality" of the decision, which leaves the Congress and the states contesting on political rather than constitutional grounds.

Governor Babbitt and other governors said that because the court had "taken a walk" there was fear that Congress would be free to preempt state power in areas far beyond wage and hour standards, in education, crime control, consumer protection and other functions where the states have traditionally held authority.

They also noted that the decision ran counter to President Ronald Reagan's philosophy.

The administration, which had opposed the broad scope of the decision, has held that the states should be given more authority in various areas in return for having their U.S. funds reduced.

Mr. Reagan's 1986 budget calls for deep cuts in aid to states, cities and other local governments, and the governors said they were now in a position of possibly having to give up both the funds and authority.

The most immediate effect of the decision, according to state and local officials, was that it would cost their governments many millions of dollars in overtime pay for police officers, firefighters, transit workers and others who work split or unusual shifts, and that the paperwork involved would add a burden. Paying the minimum wage as re-

quired under U.S. standards was not considered a factor because all but the very smallest jurisdictions have wage standards that equal or exceed the U.S. minimum, \$3.35 an hour.

Randy Arndt, spokesman for the National League of Cities, said an additional factor was that the governments involved were now in the middle of the fiscal year, with budgets already decided, "and now they are faced with deciding what they are going to do if they don't have enough money to pay policemen and firemen."

But it was unclear what the fiscal effect would be. Congress, in enacting the 1974 legislation bringing state and local employees under U.S. standards, wrote in some provisions for unusual shifts so as to restrain the costs. Much of the cost factor would depend on how the Labor Department decided to enforce the regulations.

The Supreme Court's decision was welcomed by labor unions, workers and others who said the legislation was needed to give public employees the same protections as the private sector, which is covered under the Fair Labor Standards Act, and the federal government.

However, the decision was unusual in that the court, in ruling that public transit workers had to

be brought under U.S. standards, also overruled its own decision of 1976 holding that the constitution did not permit Congress to "directly" replace the states' freedom to structure integral operations in areas of traditional government functions.

Labor Department officials, meanwhile, were somewhat glumly trying to figure out what to do with a decision that gave them more power than they wanted.

By extension, the decision establishes the department's authority to look into the affairs of millions of public employees, including police officers, firefighters and teachers, a power the department did not seek.

"They asked for something less than what they got," said a department official. "At this point, I imagine they are pretty confused."

The effect of the decision is compounded by the absence of Labor Secretary Raymond J. Donovan, who is on leave, preparing his defense on charges of larceny and falsification of records connected with a New York subway project.

The task of carrying out the new mandate apparently falls to the undersecretary, Ford B. Ford, although "no one's quite sure who is calling the shots over there," said Thomas Lamb, staff director for the House subcommittee on labor standards.

Revenue-Sharing to Local Governments Might Remain, Senate Republicans Say

The Associated Press

WASHINGTON — Senate Republican leaders signaled Thursday that the government's revenue-sharing program probably would be kept alive by Congress for at least a year longer than President Ronald Reagan wants, but that federal funds to local governments under the program were likely to be reduced.

The Senate Budget Committee chairman, Pete V. Domenici, Republican of New Mexico, also said that Congress is likely to phase out funds for mass transit and urban revitalization, rather than eliminating them, as the president is seeking in his new budget.

But both Mr. Domenici and the Senate majority leader, Robert J.

Dole, Republican of Kansas, predicted that Congress would accept most domestic spending cuts recommended by the president and that states might have to take over some federally financed programs.

Mr. Dole indicated that, while Senate Republican leaders intended to honor the president's vow not to consider tax increases as part of a deficit-reduction effort, adjustments were likely.

Meanwhile, Treasury Secretary James A. Baker 3d told the House Budget Committee that the president insists that a tax simplification plan not be a tax increase in disguise. He said such a plan was far from completion and might not take the form of legislation.

Zaccaro Sentence In Land Fraud Is Community Work

New York Times Service

NEW YORK — John A. Zaccaro, husband of Geraldine A. Ferraro, the Democratic Party's vice-presidential candidate, has been sentenced to perform 150 hours of community service for his admitted involvement in a fraudulent real-estate transaction.

Mr. Zaccaro, 51, a real-estate insurance broker, told Acting Justice George F. Roberts in state supreme court on Wednesday: "I've learned my lesson, judge, the hard way." Prosecutors said the scheme was aimed at yielding millions of dollars for him and several associates.

The New York secretary of state's office said Wednesday that was preparing a complaint against Mr. Zaccaro and that it would subpoena him to appear at a hearing within several weeks to examine his fitness to hold brokerage licenses. The state could suspend or revoke the license, or levy a fine.

Mr. Zaccaro pleaded guilty in state supreme court on Jan. 7 to an indictment that charged him with submitting a false sales contract, an altered appraisal and a misleading statement of net worth connection with a multimillion dollar New York real-estate deal in 1983.

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South Africa Seems to Flaunt Its Raw, White Power

By Alan Cowell

JOHANNESBURG — After weeks of talk of racial "reform" from white officials, the familiar images of South Africa's recent history have reasserted themselves: the police firing on black demonstrators in a crowded squatter camp; the 3 A.M. rap at a tiny

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door by a security operative come to search a home and detain those opposed to white rule.

Eighteen people are now reported to have died in the police action in the Crossroads squatter camp outside Cape Town on Monday and Tuesday, and seven black activists were formally charged Thursday with treason after their arrest on Tuesday.

South Africa seemed to be showing that the sinews of raw, white power remain as taut as they were before the advent of "constructive engagement." The Reagan administration's policy of bringing about racial changes through diplomatic persuasion instead of confrontation.

The debate, as far as U.S. policy-makers are concerned, centers on whether the government's harsh tactics, so reminiscent of Sharpeville in 1960 and Soweto in 1976, reflect the uncertainties and anxieties that, historically, have surrounded efforts at easing the state's racial policy.

Black activists here assert that, in fact, the tactics underline a pursuit of white hegemony in which so-called reform is more a camouflage against international pressure than a commitment to change.

At the same time, the conciliatory tones of "reform" and the crackdown on dissent seemed to complement one another. As some commentators here suggested, it was as if the authorities were saying they alone would set the agenda and pace of a political strategy to contain racial pressures that they alone would define.

Tuesday's arrest of leading fig-

Pretoria Drops Plan to Dismantle Townships

Compiled by Our Staff From Dispatches

JOHANNESBURG — The South African minister of black affairs, Gerrit Viljoen, announced Thursday that he was abandoning plans to dismantle three black townships outside Cape Town and promised to meet with leaders of another black community in which 18 persons were killed in disturbances.

The major policy reversal by the white-minority government came as seven black leaders were formally charged with treason, which carries the death penalty.

Mr. Viljoen said in Cape Town that residents of the Langa, Nyanga and Gugulethu townships could stay where they were and lease their homes for up to 99 years. He said that he hoped his decision would "lead to a sense of permanence and security" among the 150,000 residents of the area.

ures from the United Democratic Front, the most prominent of alliances offering an avowedly nonviolent challenge to the policies of racial separation called apartheid, drew bitter complaint from activists and trade union groups as well as from the South African Council of Churches.

In Washington, the State Department expressed "deep regret" over the arrests, saying that they "cannot help prospects for a dialogue, which the government itself has said it wants and which it recognizes to be essential to achieve movement away from apartheid."

Specifically, the criticism in South Africa centered on the apparent paradox between the authorities' avowed readiness to discuss political rights for millions of urbanized black people in what is called a "new forum" and the de-

struction of those regarded by many blacks as their legitimate leaders.

The state offered an informal forum for consultation and yet it is determined to smash the people's organizations before it even sets in motion that process, the United Democratic Front, which claims 1.5 million followers, said in a statement.

The South African Council of Churches, which claims to represent millions of Christians, said: "The current raids, detentions and arrests can only make worse the already alarming level of tension in this country."

The statements seemed reflexive but also illustrated the widening credibility gap that divides the white authorities from those who seem more alienated than ever from a political system whose promises of reform are hedged and

ambiguous. Moreover, they highlighted the equivocal impact of U.S. policy here.

"Constructive engagement" is derived from a belief that confrontation will force the dominant, 2.8 million Afrikaners onto the defensive, solidifying their opposition to racial change and strengthening their unity as Africa's only white tribe.

By removing the threat of external pressure, advocates of the policy assert, the once monolithic facade of Afrikanerdom is weakened and those seeking reform may pursue their goals.

The loosening that ensues, these advocates say, may lead to a violence that, of itself, will intensify pressures for reform. And, it is argued, by admitting people of mixed and Indian racial descent as junior partners in Parliament as President

Pieter W. Botha has done, South Africa has crossed a kind of Rubicon and so cannot return to a totally white legislature.

The interpretation, however, is challenged by figures such as Bishop Desmond Tutu, the Nobel Peace Prize winner, who says that U.S. policy has been a disaster that has encouraged the white authorities to avoid real reform and offer in its place only cosmetics.

According to the bishop, the four years of "constructive engagement" have been accompanied by increased detentions without trial, the expansion of the populations of tribal homelands, and an increase in the number of people arrested for contravening laws limiting black access to white cities.

Moreover, some South African commentators dispute the basic premise of U.S. policy, arguing that, whatever superficial changes may ensue from Mr. Botha's moves, white hegemony remains unassailable. And, they say, the policy has further polarized black and white perceptions in this country, fueling a growing anti-Americanism among black people.

Last month, U.S. officials seemed pleased that Mr. Botha had offered an intimation of change by promising limited and undefined political, citizenship, and land ownership rights to the millions of urban blacks who have become a permanent factor in South African society. The suggestion at the time from U.S. officials was that "evolutionary change" might possibly be in the air following the creation of the new, three-chamber Parliament.



Samuel Langa, a community leader of the Crossroads squatter camp, listening to Bishop Desmond Tutu, a Nobel Peace Prize winner, appeal for calm in the camp near Cape Town.

Senator Says Reagan May Propose Overt Funding of Nicaraguan Rebels

By Sara Fritz and Doyle McManus

Los Angeles Times Service

WASHINGTON — The Reagan administration, faced with stiff congressional opposition to covert aid for rebels fighting Nicaragua's leftist government, appears to be moving toward financing them overtly, according to the chairman of the Senate Foreign Relations Committee.

Senator Richard G. Lugar, Republican of Indiana, said that administration officials were reviewing several alternatives for financing the rebels in an attempt to circumvent congressional opposition to President Ronald Reagan's request for \$14 million in covert aid for the 1986 fiscal year.

Overt aid is the leading alternative now being considered by Mr. Reagan, he indicated.

In addition, Mr. Lugar predicted that the administration would increase the chances of a favorable vote in Congress by submitting its new aid proposal to the Senate Foreign Relations Committee instead of the Select Committee on Intelligence.

Members of the foreign relations panel are believed to be more sympathetic to the administration's policy in Central America than are members of the intelligence panel, which oversees covert operations

by the Central Intelligence Agency. (Senate critics of U.S. aid to the Nicaraguan rebels have the vote in the Senate to halt Mr. Reagan's request, Senator Patrick J. Leahy, a Vermont Democrat who is vice chairman of the Intelligence Committee, told The Washington Post on Wednesday.)

[Mr. Leahy, emerging from an intelligence committee meeting with Secretary of State George P. Shultz, "I think the administration is finally getting the picture that there will be no more covert aid."]

Last year, congressional Democrats cut off the officially secret CIA funds for the rebels after spending more than \$75 million since 1981 on the covert war against Nicaragua's Sandinist government. In October, Congress again refused to provide the money but set aside \$14 million to be available in March if both the Senate and House of Representatives vote to release the funds.

A White House spokesman, Robert Sims, acknowledged that Mr. Lugar has been pressing the administration to submit a request to Congress for overt aid, but he insisted that Mr. Reagan has not yet decided upon a strategy.

"Senator Lugar is looking for some practical way to support the resistance forces," he said, "but the basic preference on our part still would be a program that is legal but covert."

A senior State Department official, who requested anonymity, expressed skepticism that the administration would request overt aid and questioned whether such a proposal would be any more popular in Congress than covert aid.

"Obviously, we'll go where the votes are," he said, "but I don't know how they think it's going to work."

Opponents of Mr. Reagan's policies in Central America would be certain to challenge any request for overt aid to the rebels on the ground that international law prohibits the U.S. government from directly financing the overthrow of another government without a declaration of war.

Mr. Lugar indicated Tuesday that Mr. Shultz and Robert C. McFarlane, Mr. Reagan's national

security adviser, were trying to decide how the aid would be administered if it were no longer funneled through the CIA.

"If it's not to be covert, and therefore to be overt," he said, "who will either manage or control the situation or leave the money at a drop-off point? How do you do that? I feel confident that the people in the administration — Bud McFarlane's shop as well as George Shultz — are trying to think through this sort of thing, and I certainly will work along with them."

A spokesman for Mr. Lugar said Wednesday that the senator believed that administration officials were beginning to take his advice seriously and that he expected them to request overt aid, or perhaps a combination of overt and covert aid.

■ No Covert Plan Seen

Joanne O'neal of The Washington Post reported Wednesday: "Mr. Lugar said he was 'convinced there aren't enough votes in the Senate for a further covert action program.'"

"The administration," he said, "is going to have to stop trying to substitute a covert action program for foreign policy."

Many senators, he said, were concerned about atrocities allegedly committed by the rebels against Nicaraguan civilians.

On Oct. 3, in its most recent Senate vote, the covert aid program passed, 57-42, with one critic absent. At least two more senators have announced since then that they will oppose its renewal when it comes up again in March.

In the Senate, two more senators joined the opposition, according to a count by the Center for National Security Studies. Thus, 47 senators now openly oppose the plan, four votes short of a majority, although other votes may have shifted.

Administration supporters say an apparent crackdown on dissent within Nicaragua may have moved some senators back to favoring aid for the rebels. Both sides say that they have taken no formal head counts in this session.

The House has voted three times to end the program.

U.S. to Use New Satellite Television Link Abroad

By Joseph Fitchett

International Herald Tribune

PARIS — The Reagan administration will begin daily satellite television broadcasts to U.S. embassies in Western Europe within the next few weeks, a U.S. Information Agency official said Thursday. The purpose of the broadcasts, the official said, is to make government-sponsored public affairs programs readily available to foreign audiences.

Officials said the broadcasts, known as Wordnet, are part of a campaign to expand efforts to give foreign audiences a look at American life and politics and to air U.S. views on controversial issues.

Alvin A. Snyder, director of a television services for USA, in a telephone interview from Washington, said the broadcasts would initially run for two hours a day, five days a week. He said he hoped they could eventually be expanded into "a daily, full-time worldwide television service."

Currently, material furnished by Wordnet is used in several ways. U.S. diplomats show videotaped programs on political, cultural and scientific topics to audiences at embassies, at clubs or in seminars. Topics of special interest, such as press conferences in the United States that deal with European affairs, are made available on cassettes to foreign broadcasters.

U.S. officials said they hoped that the new satellite transmission, which will make the material available sooner, will increase the demand among foreign audiences. They also envision a greater demand as television broadcasting in

Europe grows with the expected expansion of privately operated stations.

Direct television broadcasts into foreign countries — the video equivalent of Voice of America radio — are prohibited under United Nations agreements. France, for example, where the television networks are state-owned, has consistently maintained that direct broadcasts would be a violation of its sovereignty.

A \$1.6-million contract to handle the USA transmissions to Europe was won by France's state-owned Post, Telegraph and Telephone agency. The contract runs for a year. French engineers, using a satellite named Eutelsat, will beam the USA programs directly to antennas on embassy rooftops.

Since 1983, USA has used satellites for occasional international broadcasts. The programs included press conferences with U.S. officials and special events such as space missions. There was also a weekly transmission of public-affairs programs prepared by USA.

Officials said the new Wordnet broadcasts will include programs co-sponsored by major U.S. companies. They could include documentaries on current events, as well as cultural and scientific programs, they said.

"When you have that kind of capability to get programs out instantaneously to embassies, there's an almost unlimited amount of things you can visualize," Mr. Snyder said, referring to expanded programming and wider audiences.

The programs would be immedi-

ately available on cassette or, using the satellite, "local stations or cable networks could pull it down and service their clients with it," he said.

However, in European countries, government permission would be needed to gain access to the programs.

The new U.S. service will go only to "receive only" antennas at U.S. diplomatic installations — perhaps 30 this year, and eventually as many as 60.

In Eastern Europe, the satellite transmission may eventually go to "selected U.S. embassies after consultations with the host governments," Mr. Snyder said.

The satellite arrangement could be used, officials say, to provide live coverage to embassies in Europe of U.S. public events such as a major presidential address.

Moscow Signs Pact on Nuclear Plants

For First Time, UN Agency Will Inspect Soviet Facilities

Reuters

VIENNA — The Soviet Union signed an agreement Thursday to open Soviet nuclear plants to international inspection for the first time.

The agreement, signed with the International Atomic Energy Agency, means that officials of the agency will inspect Soviet nuclear facilities this year, said Andronik M. Petrosyants, chairman of the Soviet State Committee for the Use of Atomic Energy, who signed for the Soviet Union.

Founded in 1957 to promote the peaceful use of atomic energy, the agency operates a system of safeguards inspections, monitoring the nuclear fuel cycle of civilian plants to prevent the diversion of nuclear material to military purposes.

The safeguards do not cover military plants but underpin the 1970 Treaty on Nonproliferation of Nuclear Weapons, designed to prevent the emergence of new nuclear weapons states.

The agreement has a significance that we can describe as historical," Mr. Petrosyants said at a press conference. "It is a great, important step."

He said the results of the first inspections should be ready by September, when the nuclear non-proliferation treaty is to be reviewed by its 120 signatories in Geneva.

Officials at the agency said the agreement marked the first time that the Soviet Union had accepted on-site international and multinational verification of sensitive facilities.

Inspectors from the International Atomic Energy Agency visit plants as external auditors and check the nuclear fuel account, ensuring that what nuclear material goes in balances with what comes out.

Many IAEA officials view the safeguards system as a model for nuclear disarmament verification in the event that a major nuclear disarmament treaty should ever materialize.

Under the agreement signed Thursday, Moscow has submitted a list of civilian nuclear plants from which officials will choose those most representative for safeguard purposes. The list remains confidential until the agency has made its selection.

Sources in the agency said they understood that the sites offered for inspection included only relatively outdated power plants operated with light-water reactors. Soviet officials indicated this was true by saying that the list consisted of reactors of a type that the Soviet Union exports. Those are light-water ones and are used by East European nations.

A light-water reactor uses water from a lake or stream as a cooling agent, a moderator and a means of heat transmission, rather than the heavily ionized water used in heavy-water reactors.

Agency members that acquired nuclear weapons before joining IAEA are not obliged to sign a safeguards accord, but they are encouraged to do so. Britain was the first to sign in 1978, followed by the United States and France in 1981.

China is the only weapons state without a voluntary safeguards accord. The country has not yet commissioned any civilian nuclear power plants but several are planned.

Vladimir Petrovsky, head of the department of international organizations at the Soviet Foreign Ministry, said: "We believe the IAEA system of safeguards represents a good visible example of how international verification can take place when it serves the purpose of the limitation of nuclear weapons in general."

Mr. Petrosyants added: "The Soviet Union advocates the strengthening of all aspects of the non-proliferation regime which help to prevent the spread of nuclear weapons."

Asked whether the agreement might lead to expanded verification in the Soviet Union, he said: "Everything has to start somewhere. This is the beginning."

Baldrige Assails U.S. on Disclosures

(Continued from Page 1)

scriber to this source of data," Mr. Baldrige said.

He blamed the release of military secrets on "the apparent unwillingness to date of the pertinent government agencies" to commit money and personnel even though the Reagan administration tightened rules to stem "this hemorrhage" of strategically sensitive information.

The Defense Department, for instance, set up an agency to check studies before they are declassified, but its "ability to review the annual volume of documents is limited" because its appropriations are too small for the job, he said.

The issue was first raised in 1982, Mr. Baldrige said, and despite efforts by the Commerce Department and U.S. intelligence agencies to get help from the Defense and Energy departments and NASA, "the results to date have been wholly inadequate."

Among the studies available to Moscow, Mr. Baldrige said, were Defense Department analyses of space weapons, chemical warfare, nuclear weapons, computer security, high-technology telecommunications, electronics, computers and lasers; Energy Department analyses of nuclear energy and high intensity physics, and NASA ana-

lyses of space and rocket technology. Other studies that were released dealt with the cutting edge of militarily significant technology, such as lasers and composite materials used in warheads and jet fighters, Mr. Baldrige said. He said that government scientists who saw samples of the information in the studies concluded that they are "tremendously beneficial" to the Russians.

"Taken as a whole, the reports give Moscow new material information to corroborate previous lab work, focus future approaches and eliminate costly trial-and-error processes," Mr. Baldrige said the scientists concluded.

As an example, he cited a July study prepared for the U.S. intelligence community that showed the Soviet Union used at least 60 previously classified U.S. documents in developing its cruise missile.

"The potential danger to our national security," Mr. Baldrige asserted, "is that through the giveaway program the Soviets have access to studies and strategic information covering much of the same type of technologies and products that the administration is trying to keep out of Soviet hands through the multilateral export control system."

Cambodian Outpost Is Reported Seized

Compiled by Our Staff From Dispatches

ARANYAPRATHET, Thailand

—Vietnamese troops, backed by a heavy artillery barrage, on Thursday overran one of the largest pockets of Cambodian guerrillas left along the Thai-Cambodian border, according to Thai military officials and Cambodian insurgents.

The Vietnamese seized the area opposite the Thai village of Klong Nam Sai, 7.5 miles (12 kilometers) southeast of the key Thai border town of Aranyaprathet, officials told United Press International.

The area, under attack since Monday, contained about 600 Communist Khmer Rouge guerrillas, one of the largest concentrations of Cambodian insurgents remaining along the Thai-Cambodian border.

Hanoi's troops last week completed a systematic sweep of major strongholds of the Khmer Rouge and their non-Communist ally, the Khmer People's National Liberation Front.

Those two groups and a third group led by Prince Norodom Sihanouk comprise the Cambodian guerrilla alliance that is trying to drive out the Vietnamese. Vietnam invaded Cambodia in 1979 and installed a puppet regime.

The border area captured Thursday was one of the prime targets of a mopping-up operation by the Vietnamese, who for three months have been trying to eliminate the guerrillas operating along the Thai-Cambodian border.

A Khmer Rouge commander, however, said Thursday that Cambodian guerrillas were successfully ambushing and pushing back Vietnamese troops who earlier swept into the guerrilla strongholds.

The Khmer Rouge commander, Mit Mual, told The Associated Press that the Khmer Rouge, concerned for the safety of the civilian population, had dispersed in the face of the fierce Vietnamese offensive. But he said the Communist

guerrillas were pushing back Vietnamese troops and aimed to retake the entire Phnom Penh area.

In Bangkok, the U.S. Embassy announced that about 1,500 Vietnamese refugees who recently fled the Thai-Cambodian border would be resettled in the United States and other Western nations.

An estimated 3,000 other Vietnamese, who crossed Cambodia to the Thai frontier after fleeing their homeland, remained at an evacuation site several miles from the border. All 4,500 fled Dong Rak camp, just inside Cambodia, after it was shelled by the Vietnamese forces last month.

A U.S. Embassy refugee officer said of the 1,500 accepted for resettlement, about 900 would go to the United States, 150 to Australia, 100 to Canada, 30 to New Zealand, 100 to France and others to Sweden, Britain, the Netherlands, Switzerland, Norway and West Germany.

■ Evidence on Gas

Senior Thai Army officers displayed Thursday what they said was evidence that Vietnam had used poison gas against Cambodian guerrillas, Reuters reported from Bangkok.

They showed reporters photographs of a 70mm rocket that they said contained toxic chemicals fired by Vietnamese troops. They also issued the results of tests described as indicating the presence of toxic chemicals.

■ China Accuses Vietnam

China said Thursday that Vietnam had launched fresh assaults and artillery barrages against its positions along their common border, wounding several Chinese guards, United Press International reported from Beijing.

The Chinese press agency said "Vietnamese troops fired hundreds of shells at Chinese forward positions in the Laoshan area of Yunnan province" from Wednesday morning until Thursday.

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Clarence Nash, the 'Quack' Of Donald Duck, Dies at 80

Agence France-Press

BURBANK, California — Clarence Nash, 80, who was the voice of Walt Disney's cartoon character, Donald Duck, for 50 years, died Wednesday of leukemia.

Mr. Nash began working for Walt Disney in 1933, making his debut as the irascible "quack" behind Donald Duck in the 1934 cartoon "The Wise Little Hen." Although he retired 14 years ago, he continued to delight audiences with his Donald Duck voice at personal appearances and made several special Donald Duck features.

Donald Duck appeared in more than 150 cartoon shorts and several full-length feature films.

Mr. Nash also did the voice in foreign language versions of the cartoons.

"Words were written out for me phonetically," he said. "I learned to quack in French, Spanish, Portuguese, Japanese, Chinese and German."

Last year, Mr. Nash was honored at the Academy Awards ceremony, on a television special, "Donald Duck's 50th Birthday," and at the White House by President Ronald Reagan and Mrs. Reagan, who presented him with a plaque commemorating his contributions to American family entertainment.

Donald Duck was not Mr. Nash's only voice. He was also the



Clarence Nash

voice of Donald's nephews, Huey, Dewey and Louie, his girlfriend, Daisy, and many others.

He was born in Watonga, Oklahoma, and had been a popular vaudeville entertainer before joining Disney.

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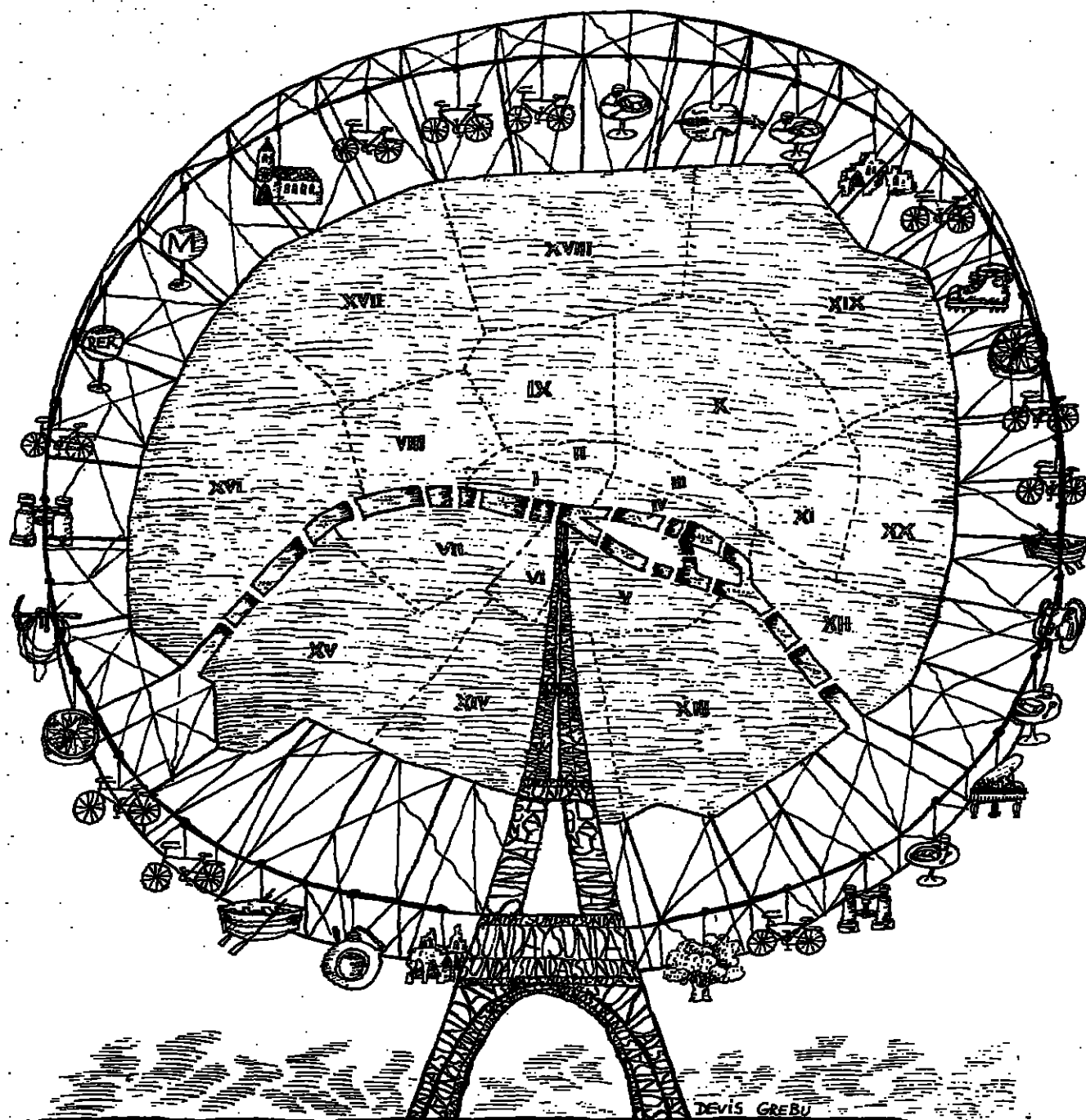
Feb. 22, 1985

INTERNATIONAL

Herald Tribune

WEEKEND

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Paris's Active New Sundays

by Axel Krause

PARIS — Sunday mornings in Paris used to revolve almost exclusively around preparing for the family midday meal, often *chez les grands-parents*, to which the children brought flowers and pastry that sometimes wilted and crumbled during long rides on the Métro. In more recent years, a lot of Paris residents have taken up such untraditional activities as le jogging, and now Paris offers dozens of active and mellow ways of spending Sunday mornings.

For example, early on almost any Sunday in many railroad and regional Métro stations, crowds of Parisians, and a trickle of foreign visitors, can be seen at ticket counters, adjusting their knapsacks or bicycles before boarding trains for the outskirts. There at deserted stations, they head into the countryside on bicycle or on foot for a day's outing that includes lunch in a scenic or historical spot, and a return by train in the evening, often by a different route. Many participants, particularly first-timers, get to know each other on the way.

These and other forms of Sunday *randonnées*, or excursions, are regularly organized by national associations and volunteer groups that publish detailed itineraries and meeting points for *randonneurs*. "What is truly amazing is that these outings provide a handy, casual and rare way of getting to know the French, which as everyone knows, is no easy task," says Larry Joseph, a professor of French literature at Smith College in Northampton, Massachusetts, who regularly joins these groups.

The French national railway (SNCF) has encouraged the trend by offering reduced fares, establishing a bike rental service at 250 stations throughout France, (32 francs a day for a 10-speed bicycle) and transporting bikes free of charge on 2,000 short-haul passenger trains. The railway's only condition is that passengers get their bikes on and off the train themselves.

"It is all part of an effort to improve our general image with regard to the cycling French and foreigners, mainly British and American," said a railway spokesman. "In the '70s, our push focused on the SNCF's renting cars at stations, now it is *le vélo*."

Other Parisians, more interested in music than in exercise, are turning to a growing number of Sunday morning concerts held in several theaters around Paris, generally accompanied by continental breakfasts. The daily *Le Parisien* recently described these as programs of *croissants chauds et musique douce*.

Similar morning programs have been tried at Wignmore Hall (in London) and in Israel, but we think ours is unique for the quality and attendance," says Jeannine Rose, a music agent who organizes the highly popular Sunday morning concerts at the Théâtre du Rond-Point, now in its 10th season.

This season's program, which started last October and runs into June, often drawing audiences of more than a thousand, including children (those under 9 admitted free) offers leading soloists and chamber groups.

Continental breakfasts are served in spacious dining area before and after the hour concerts, which begin at 11 A.M. Tickets are sold on a first-come, first-served basis an hour earlier.

At the Théâtre La Bruyère, where the resident Ensemble Instrumental La Bruyère often plays on Sundays, most of the several hundred regular concertgoers are drawn from the surrounding neighborhoods. "We may not present world-known artists, but we think we are talented and our average age is 23," said Pierre-François Roussillon, the artistic director and the ensemble's clarinetist.

"We are witnessing something of a revolution in our habits — perhaps because of the fitness craze in France, or simply the desire to break with the traditional French Sunday," says Anne Bouffé, a French housewife and lifelong hiker. She regularly organizes all-day hikes for small groups, following itineraries suggested by the *Randonneurs de l'Ile-de-France*, an association that has established, and maintains with red and white markers, about 2,300 kilometers (1,430 miles) of trails in the Paris area.

"We always take the train to our starting points, avoiding traffic, and then with knapsacks on our back — a good friendly group usually — we are off for the day," says Bouffé. Some of her favorite treks are southwest to Port-Royal-des-Champs, site of the ruins of a 13th-century abbey, and northwest to Giverny, where the house and gardens of Monet overlook the Seine.

Both follow scenic routes through farmland and forests and by averaging about three miles an hour (2.5 miles an hour is recommended for "average" walkers), the outings leave plenty of time for a picnic or a picnic picnic.

Continued on page 7

Seeing the Invisible

PARIS — The color photograph in the entrance hall shows a strong and radiant face with an alpine flower tucked behind the right ear. The face is tilted upward, as if to catch the sun or find another peak to scale, and it belongs to Charlotte Perriand, 81, the architect and designer who is the subject of the exhibition "Charlotte Perriand, Un Art de Vivre," at the Musée des Arts Décoratifs until April 1.

If few people know her name, everyone is familiar with her work. From the chaise longue she designed in 1928-29 with Le Corbusier and his cousin Pierre Jeanneret, but which is usually attributed to Le Corbusier alone, to the room dividers and sectioned closets with plastic drawers that are part of daily life in 1985.

She stands, vigilant, in the middle of the exhibition, wearing a quilted tan coat and a bright hair ribbon around her top knot and carrying a feather duster.

The museum is a musty old building in the process of redecoration and the Perriand show is in a wing called "the nave," a pompous space weighted with plaster molding.

MARY BLUME

Taking care not to fight the original design, Perriand has filled the space with bright colors and fresh rhythms, adding carefully raked sand to the floor as a reminder that from the beginning — although at the beginning she did not know it — she was influenced by Japan.

A first retrospective at the age of 81 must be daunting. "Daunting, yes, because things have to be where they were. It is a return to the past." The past is not a place where she spends her time. In re-evaluating more than half a century's work, were there discoveries, disappointments, surprises? Were things ever not as she had supposed?

"No," she says. "It was exact."

Charlotte Perriand came to Le Corbusier's atelier at 35 Rue de Sevres at the age of 24 in 1927 and stayed 10 years. The other young designers came to Paris from many countries; Le Corbusier, she says, was their companionable guru. The studio that produced the most revolutionary thinking in design at the time was a dilapidated space. "There is no need for perfect tools in order to create," says a caption next to a picture of the atelier's ancient stove. "To create, one puts oneself in a state of creation, and it works."

She worked on *équipement*, as Le Corbusier called furniture, and already had a degree from the Union Centrale and a background in Art Deco design. By 1927 she was finding inspiration from automobiles rather than furniture, was wearing a necklace of



Charlotte Perriand.

ball bearings (with a prototype of a 1929 chair from her flat it is the only personal item in the show) and she was fascinated by metal. In the 1927 Salon d'Automne, she won praise for her chromium-plated steel and aluminum bar, "*le bar sous les toits*."

She was launched. Instead, she thought of giving up design for agriculture. "It was a passing idea, either a rejection or a defense against a profession that I knew would be all-consuming." She went to Le Corbusier. It was, she says, a new birth. She acknowledges that Le Corbusier is somewhat out of fashion today, especially in France.

"Post-modernism wants to lay eggs of different colors," she says. She has traveled from Brazil to China and for her such huge projects as Oscar Niemeyer's Brasília and Le Corbusier's Chandigarh in India are the two greatest modern works.

She respects the past but does not believe in living with it. "Each period is modern in its own way to progress. I believe in progress, but sometimes I don't believe in people." All societies, she adds, have the architecture they deserve.

In February 1940, she received a telegram

from Japan's Ministry of Trade and Industry inviting her to serve as an adviser in the decorative arts. She discussed the offer with the painter Fernand Léger, a close friend, and gladly accepted. "The French are Cartesian, the Japanese intuitive," she says. "I saw the ideas of Le Corbusier expressed on a national scale." The famous chaise longue soon appeared in bamboo. There was also something more: in the show she cites a line from a Japanese master. "We heard what was not said, we saw the invisible."

Since the Vichy government was neutral to Japan in World War II, she was not repatriated but lived under the protection of a Japanese family. In 1943 she went to Indochina, where she married a French naval officer and had a daughter, who is also an architect. "I had a child, an act of creation, this time in flesh."

After the war, she returned to Paris, engaged in mass production of her own designs and continued a specialty she had begun before the war: ski resorts.

PERRIAND does not give the word functionalism the flat meaning associated with Le Corbusier's use of the word. She is glad to design something as basic as a bathroom and associates its function with pleasure. "A bath should be a rinse in clear water, not a scrubbing off."

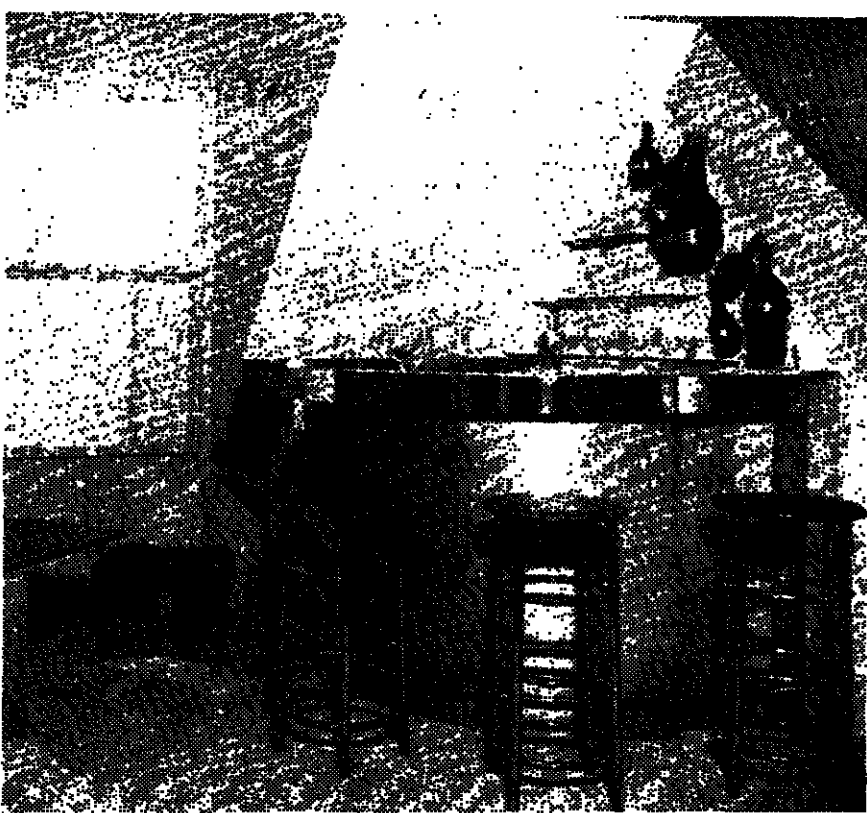
She uses "cell," Le Corbusier's word for a room, but denies that this is hard or inhospitable. "I like to look up words in the dictionary and I looked up cell. Our body is a cell, which is not hard but rather nice. It's like 'machine for living' — it is a precise definition, there is nothing cold or mechanical about it."

"I looked up the word 'art' in the dictionary. It means the application of knowledge to an object. That means everything can be art if knowledge is applied. Knowledge is always good, its application often isn't."

Perriand's grandfather was a blacksmith in Savoy and she spent her early childhood on a farm in Burgundy. She has a fresh country air despite nearly a lifetime in Paris. She lives in a tiny flat of only 60 square meters ("I never keep anything") but from her window she says she sees 80,000 square meters of Paris.

Since Charlotte Perriand has always kept her private and public life separate, the Arts Décoratifs show is the closest she is likely to come to an autobiography. "It is an autobiography," she says, "but in space and rhythm."

Ideas continue to flow and the autobiography is far from complete. Probably it never will be. "When I see a nice blank page," she says, "I wish I were twenty again."



Perriand's "*le bar sous les toits*."

Different Visions of India and the Raj

by William Borders

NEW YORK — On the last page of "A Passage to India," the E. M. Forster classic from which David Lean has made an epic film, the Indian protagonist, Dr. Aziz, takes his final leave from Fielding, his visiting English friend, with these furious words:

"India shall be a nation! No foreigners of any sort! Down with the English anyhow. That's certain. Clear out, you fellows, double quick. I say: We may hate one another, but we hate you most. We shall drive every blasted Englishman into the sea, and then — you and I shall be friends."

How vastly — though subtly — different that ending is from the pretreated ending of the movie, in which Fielding and Aziz part with a warm, manly handshake, full of mutual respect and affection.

The difference in those two concluding scenes reflects two different visions of India, and of the Raj, the complex love-hate relationship that existed — and still exists — between the English and the Indians. And there are other visions of India around these days, too, arousing strong feelings pro and con. India is much on our minds at the moment, as America experiences what must be the most concentrated cultural infusion of things Indian, at least since the days of Mahatma Gandhi and independence nearly 40 years ago.

Besides "A Passage to India" there is also also "The Jewel in the Crown," Granada TV's epic series, which has been dominating Sunday evenings in many U.S. homes for weeks. Both these views of India follow closely on the 1982 film "Gandhi," which won eight Oscars; "Heat and Dust," the Merchant-Ivory film of 1983, and "Far Pavilions," the unsuccessful but sumptuous Home Box Office series of last year.

Later this year, the feast will become even richer, with the "Festival of India," the largest concentration of Indian art and culture ever assembled in the United States. It will include special exhibitions of painting, sculpture and the performing arts in New York, Washington and 40 other cities.

At the same time, India has been on the front pages, too, first with the appalling news of Indira Gandhi's assassination last October and then, less than five weeks later, with the disaster in Bhopal, in which poisonous gas killed more than 2,000 people.

All of this puts India into the consciousness of a good many Americans who have not paid much attention to the place before. And for those of us who have already known and loved India for years, the phenomenon is gratifying; it is good, though curious, to see stacks of Paul Scott's "Raj Quartet" (from which the television series was drawn) piled up in the bookstores.

But at the same time, all the India adulation is also somehow troubling to the people who are already India addicts. We love India and we are distressed that the image of it that is being projected is so far from complete.

For some, this reaction translates into fury. Salman Rushdie, the great novelist of post-independence India, vehemently protests "the fantasy that the British Empire represented something noble or great about Britain," and complains that the films create the impression "that the end of the Empire was a sort of gentlemen's agreement between old pals at the club, that the British weren't as bad as people make out."

Others are more gentle in their protestations. K. Shankar Bajpai, the Indian ambassador in Washington, referred to the Lean film and the public television series being broadcast on Masterpiece Theater as "this Raj nonsense," and pointed out that both

films are really about the English, with India simply functioning as an exotic backdrop.

In "A Passage to India," Mrs. Moore and her prospective daughter-in-law, the two women whose visit to India provides the title, as well as the central focus of the story, both spend quite a bit of effort searching for what they call "the real India," but what they find, ultimately, is themselves.

The loss of the empire is the central fact of recent British history; it is small wonder that the English care so much about it.

But why the appeal to Americans. One reason, surely, is the dazzling spectacle of an exotic and colorful land, whose pageantry is beautifully depicted in both films.

Another aspect of the appeal to Americans must be that we love all that British-inspired pomp and pageantry. When the stuffy old members of the British club in Forster's Chandrapore leap to their feet for "God Save the King," it has some of the same appeal as the changing of the guard at Buckingham Palace.

Although the Raj is over and most of the British have departed, their spirit remains, not just in cricket and tea cozies, but in a haunting, lingering debate about what it did to and for the Indians. During the three and a half years that I spent in India, one question that dominated many late-night arguments with my Indian and British friends was this: Was the experience of colonization a net gain or a net loss for India?

In "The Jewel in the Crown," the witty and cynical Major Clark answers this way:

"This place is a gold mine, but it's stiff with people dying of hunger in the streets. That's the legacy from all those blue-eyed Bible-thumpers who came out here because they couldn't stand the commercial pace back home."

In "A Passage to India," the self-important city magistrate, Ronny Heaslop, has

quite a different explanation: "We're out here to do justice and keep the peace."

But however the English-Indian relationship is perceived, it is no accident that in both the film and the television series, the central event is the rape of an English woman, symbolizing what Paul Scott describes, on the very first page of his four-novel quartet, as "an imperial embrace of such long standing and subtlety it was no longer possible for them to know whether they hated or loved one another, or what it was that held them together and seemed to have confused the image of their separate destinies."

Many of the British characters — the villainous Menck in "The Jewel in the Crown," for example, and many of the members of the club in "A Passage to India," display a constant, automatic assumption of Anglo-Saxon superiority.

Near the beginning of "A Passage to India," Dr. Aziz tells Mrs. Moore that he can tell by the kindly, nonpatronizing way she addresses him that she is newly arrived in India; she has not yet learned the rules. Even today in New Delhi, I could show you no end of modern-day English memsahibs who talk to and about Indians with the same contempt to which Dr. Aziz had become accustomed.

Perhaps all this relates to why it is that India addicts are somehow dissatisfied by the current cultural blitz. It is arousing a gratifying interest in India, but it seems a limited, narrow view of a richly complex country, or at least it is far from complete.

The exciting, wonderful thing about India today is the splendid adventure of its democracy, the largest in the world. For me, the most thrilling time there was March 1977, when the nation reared up and voted an end to Prime Minister Gandhi's authoritarian rule. It was thrilling not because I wanted her to lose the election, but because it demonstrated that this wonderful old land really



Alec Guinness in "A Passage to India."

and truly was a democracy. As one Indian villager told me at the time, with proud dignity:

"Just because a man is poor and maybe cannot read does not mean that he cares nothing for his human rights. The Congress

government has tried to shut my mouth and therefore the Congress loses my vote."

There is a much truer, though less slick and accessible, artistic vision of India in "The Home and the World," the latest film

Continued on page 7

TRAVEL

INTERNATIONAL DATEBOOK

AUSTRIA

VIENNA, Historisches Museum (tel. 42804).
EXHIBITION — To Feb. 26: "Richard Gere."
•Kunsthof (tel. 72.12.11).
Feb. 23: Vienna Chamber Orchestra, Philippe Entenmann conductor, Elena Beneshkova piano (Beethoven, Mozart).
Feb. 28: Vienna Symphony, Marek Janowski conductor (Beethoven, Mahler).
•Staatsoper (tel. 53240).
Ballet — Feb. 23 and 26: "Falstaff" (Verdi).
Feb. 24 and 27: "Simon Boccanegra" (Verdi).
Feb. 25 and 28: "Tannhäuser" (Wagner).

BELGIUM

ANTWERP, Royal Flemish Opera (tel. 233.66.85).
Opera — Feb. 23: "Eugene Onegin" (Tchaikovsky).
BRUSSELS, Opéra National (tel. 217.22.11).
Opera — Feb. 23: "L'Elisir d'Amour" (Donizetti).
•Palais des Beaux-Arts (tel. 511.29.95).
CONCERTS — Feb. 24: National Opera Symphony Orchestra, Sir John Pritchard conductor (Britten, Tchaikovsky).
Feb. 27: Little Philharmonic Orchestra, Jean-Claude Casadesu conductor, Carlo Chiarappa violin (Bach, Handel).

DENMARK

COPENHAGEN, Carlsberg Museum (tel. 21.01.12).
EXHIBITION — Through February: "Paul Gauguin in Copenhagen in 1884."

WEEKEND

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•Nikolai Gallery (tel. 13.16.26).
EXHIBITIONS — To March 3: "Soviet Revolution Posters," "Aboriginal Art."
•Radio House Concert Hall (tel. 35.06.47).
CONCERT — Feb. 23: Christopher Hogwood conductor (Handel).
•Tivoli Hall (tel. 14.17.65).
Ballet — Feb. 26: "Petrushka" (Fokine, Stravinsky).
Opera — Feb. 23: "The Barber of Seville" (Rossini).
Feb. 25: "Eugene Onegin" (Tchaikovsky).
Feb. 27: "Tosca" (Puccini).

ENGLAND

LONDON, Barbican Centre (tel. 628.87.55).
Barbican Art Gallery — To March 2: "Printmakers at the Royal College of Art."

To April 8: "Munch and the Workers," "Tradition and Renewal: Contemporary Art in the German Democratic Republic."

Barbican Hall — Feb. 24: City of London Sinfonia, Doron Solomon conductor, Anthony Goldstone piano (Bach, Mozart).

Feb. 28: London Symphony Orchestra, Edo de Waart conductor, Jorge Bolet piano (Brahms, Schubert).

Barbican Theatre — Royal Shakespeare Company — Feb. 23-28: "Mother Courage" (Brecht).

•British Museum (tel. 636.15.55).
EXHIBITION — To March 10: "The Golden Age of Anglo-Saxon Art: 966-1066."

•Hayward Gallery (tel. 928.57.08).
EXHIBITIONS — To April 30: "Reproduction: John Walker. Paintings from the Albin and Oceania Series."

•Royal Academy of Arts (tel. 734.90.52).
EXHIBITION — To March 31: "Chagall."

•Royal Opera (tel. 240.10.66).
Ballet — Feb. 27: "The Sleeping Beauty" (Petipa, Tchaikovsky).

Opera — Feb. 23 and 28: "Samson" (Handel).
•Tate Gallery (tel. 821.13.13).
EXHIBITIONS — To March 31: "William James Muller," "John Walker Prints 1976-1984."

•Victoria and Albert Museum (tel. 589.63.71).
EXHIBITION — To Feb. 28: "British Biscuit Tins."

•Wigmore Hall (tel. 935.21.41).
RECEITALS — Feb. 23: Barry Douglas piano (Bach, Chopin).

Feb. 28: Anthony Rolfe Johnson tenor, Graham Johnson piano (Massenet, Ravel).

NORWICH, Theatre Royal (tel. 282.05).
Ballet — Feb. 23: London Festival Ballet.

FINLAND

HELSINKI, Finlandia Hall (tel. 40241).
CONCERT — Feb. 28: Helsinki Philharmonic Orchestra, Jorma Panula conductor (Sibelius).

FRANCE

LYON, Maison de la Danse (tel. 829.43.44).
DANCE — Feb. 26-28: Compagnie Ecroulens, Patrick Roger choreographer.

NICE, Espace Nicolas d'Art et de Culture (tel. 62.18.85).
EXHIBITION — To April 13: "Contemporary Spanish Art."

•Galerie d'Art Contemporain (tel. 62.37.11).
EXHIBITION — To May 12: "Pugliesi, Vialard, Fenouillabaisse, Lora."

PARIS, Hotel Burgundy (tel. 262.32.14).
EXHIBITION — To March 1: "Alain Mathiot."

•Le Petit Journal (tel. 326.28.59).
JAZZ — Feb. 26: Claude Bolling Trio.

•Musée d'Art Moderne (tel. 73.61.27).
EXHIBITION — To Feb. 27: "Hélène Newton."

To March 3: "Gustav Mahler."

•Musée de la Publicité (tel. 246.13.09).
EXHIBITION — To April 15: "French Film Posters."

•Musée des Arts Décoratifs (tel. 280.32.14).
EXHIBITION — To April 1: "Charlotte Perriand."

•Musée du Grand Palais (tel. 261.54.10).
EXHIBITIONS — To April 15: "Edouard Pignon."

To April 22: "Impressionism and the French Countryside."

•Musée du Louvre (tel. 260.39.26).
EXHIBITIONS — To April 15: "Hôtel de la Louvre."

To May 6: "French Engravers from the 18th Century."

•Musée Rodin (tel. 705.01.34).
EXHIBITIONS — To March 18: "Rodin Drawings."

To April 15: "Robert Jacobson."

•New Morning (tel. 523.56.39).
Feb. 28: Freddie Hubbard Quintet.

•Opera — Feb. 23 and 26: "Tristan and Isolde" (Wagner).

Feb. 25 and 27: "Doctor Faustus" (Bochsa).

•Salle Gaveaux (tel. 563.20.30).
RECEITAL — Denis Gribble piano (Brahms, Mozart).

•Salle Pleyel (tel. 563.07.96).
RECEITAL — Feb. 28: Daniel Barenboim piano (Bach, Chopin).

•Théâtre du Rond-Point (tel. 256.70.80).
CONCERT — Feb. 28: Ensemble Orchestral de Paris, Pierre Boulez conductor, David Lively piano (Mozart).

•Théâtre Musical de Paris (tel. 233.44.44).
Opera — Feb. 23, 24, 26-28: "La Traviata" (Verdi).

GERMANY

BERLIN, Deutsche Oper (tel. 341.44.49).
Opera — Feb. 23: "Carmen" (Bizet).

•Nationalgalerie (tel. 266-6).
EXHIBITION — To Feb. 27: "Adolph Menzel: Drawings and Graphics."

•Philharmonie (tel. 54880).
CONCERT — Feb. 26: Brandis Quartet (Beethoven, Haydn).

FRANKFURT, Alte Oper Frankfurt (tel. 134.04.00).
CONCERT — Feb. 24: Munich Bach Collegium, Florian Sommerer conductor, Edgar Krapp organ (Bach, Handel).

Feb. 28: Frankfurt Radio Symphony Orchestra, Elisha Inbal conductor, Rudolf Buchbinder piano (Mahler, Mozart).

•Café Theater (tel. 77.74.66).
THEATER — To Feb. 28: "The Mousetrap" (Christie).

HAMBURG, Staatsoper (tel. 155.55).
Ballet — Feb. 24 and 26: "Giselle" (Coralli/Perrot, Adam).

Opera — Feb. 27: "La Bohème" (Puccini).

MUNICH, National Theater (tel. 13.13.16).
EXHIBITION — Feb. 23 and 28: "Eugene Onegin" (Tchaikovsky).

Feb. 24: "Orpheus and Eurydice" (Gluck).

Feb. 27: "Wozzeck" (Berg).

GREECE

ATHENS, Athens Art Gallery (tel. 721.39.38).
EXHIBITION — Through February: "Chrous Botsoglou."

•Center for Folk Art and Tradition (tel. 324.39.87).
EXHIBITION — To May: "Folk Art and Tradition of Thrace."

•Mili Vassiliou Gallery (tel. 801.27.73).
EXHIBITION — To March 2: "Hilary Adair."

IRELAND

DUBLIN, Abbey Theatre (tel. 74.45.05).
THEATER — Through February: "Long Day's Journey into Night" (O'Neill).

•Olympia Theatre (tel. 77.89.62).
THEATER — To March: "Under Milk Wood" (T.S. Eliot).

•Renech Theatre (tel. 74.45.05).
EXHIBITION — Through February: "Brenda Foreman's Posters."

•Projects Art Centre (tel. 71.33.27).
EXHIBITION — Through February: "Joe Hanley."

ISRAEL

JERUSALEM, Israel Museum (tel. 69.82.11).
EXHIBITION — To Feb. 28: "Elisha Gai-Women and Nature," "A Vanished World — Roman Vishniac, photographs."

EXHIBITIONS — To Feb. 28: "Elisha Gai-Women and Nature," "A Vanished World — Roman Vishniac, photographs."

To April 15: "Leo Nikel — The Spontaneous Disciplinary, 1980-1984."

ITALY

BOLOGNA, Galleria d'Arte Moderna (tel. 50.28.59).
EXHIBITIONS — To Feb. 28: "Mario Nanni," "Post War Photography."

•Teatro Comunale (tel. 22.29.99).
Opera — Feb. 23: "Aida" (Verdi).

MILAN, Padiglione d'Arte Contemporanea (tel. 78.46.88).
EXHIBITIONS — To Feb. 28: "New Topics: Young Italian Artists," "Tullio Pericoli."

ROME, Accademia Nazionale di Santa Cecilia (tel. 679.03.89).
CONCERTS — Feb. 24-26: Orchestra dell'Accademia Nazionale di Santa Cecilia, Christoph von Dudenay conductor, Bruno Leonardo Gelber piano (Brahms, Bartók).

TURIN, Teatro Regio (tel. 54.80.00).
Opera — Feb. 24 and 27: "Manon Lescaut" (Puccini).

VENICE, Palazzo Fortuny (tel. 70.99.09).
EXHIBITION — To April 28: "High Fashion: '30s and '60s."

JAPAN

TOKYO, Asahi Hall (tel. 580.00.31).
DANCE — Feb. 23: Dance Love Machine ("Softly as in a Morning Sunrise").

Feb. 24: Byakkosha Troupe ("Skyline and Living Buddha").

•Matsushita Museum of Art (tel. 427.82.83).
EXHIBITION — To March 31: "Masterpieces of Japanese Paintings and Old Pottery."

•Tobacco and Salt Museum (tel. 562.20.41).
EXHIBITION — To March 3: "Ukiyo-E and Smokers' Requisites."

•Yamamoto Museum (tel. 669.40.56).
EXHIBITION — To March 24: "Bequest," Japanese paintings and crafts.

MONACO

MONTE CARLO, Salle Garnier (tel. 50.76.54).
Opera — Feb. 27: "Manon Lescaut" (Puccini).

NETHERLANDS

AMSTERDAM, Print Gallery (tel. 22.42.65).
EXHIBITION — To March 8: "Mitsumasa Saito."

•Rijksmuseum Vincent van Gogh (tel. 76.48.81).
EXHIBITION — To April 15: "Dutch Identity."

PORTUGAL

ESTORIL, Casino (tel. 268.45.21).
EXHIBITION — To Feb. 28: "Maria Fernanda Amado."

LISBON, Calouste Gulbenkian Foundation (tel. 73.51.31).
Ballet — Feb. 23 and 24: "Pulcinella" (Sparreback, Stravinsky), "Return to a Strange Land" (Kyllan, Janacek), "Noces" (Kyllan, Debussy).

CONCERT — Feb. 28: Gulbenkian Orchestra, Henrique conductor (Mahler, Debussy, Rostropovich).

RECEITAL — Feb. 26: Harold Lester piano (Scriabin, Sciaes).

SCOTLAND

EDINBURGH, National Gallery (tel. 55.82.92).
EXHIBITION — To April 28: "The Face of Nature: Landscape drawings from the permanent collection."

•Queen's Hall (tel. 668.21.17).
CONCERTS — Feb. 23: Edinburgh Symphony Orchestra, Oscar Mitchell conductor, Daphne Godson violin (Glazounov, Franck).

Feb. 28: Reid Chamber Orchestra, Ruth Hardwick, Rob Morrison conductor, Ted Brown cello (Boccherini, Morley).

GLASGOW, Theatre Royal (tel. 331.12.34).
Opera — Feb. 27: "The Bartered Bride" (Smetana).

SPAIN

BARCELONA, Centre d'Estudis d'Art Contemporani (tel. 329.19.08).
EXHIBITIONS — To March 10: "Joan Miró," "Richard Hamilton's 'Image and Process'."

SWITZERLAND

BERN, Museum of Art (tel. 22.09.44).
EXHIBITION — To March 3: "Picasso: The Blue Period."

GENÈVE, Grand Théâtre (tel. 21.23.18).
Opera — Feb. 19: "Tristan und Isolde" (Wagner).

Ballet — Feb. 24 and 26: "Giselle" (Coralli/Perrot, Adam).

Opera — Feb. 27: "La Bohème" (Puccini).

MUNICH, National Theater (tel. 13.13.16).
EXHIBITION — Feb. 23 and 28: "Eugene Onegin" (Tchaikovsky).

Feb. 24: "Orpheus and Eurydice" (Gluck).

Feb. 27: "Wozzeck" (Berg).

UNITED STATES

NEW YORK, Guggenheim Museum (tel. 360.35.00).
EXHIBITIONS — To March 24: "Ree Morton."

To April 14: "Kandinsky in Paris: 1914-1916."

•Lincoln Center (tel. 870.59.60).
New York City Ballet — Feb. 23 and 24: "Eight Lines" (Robbins, Reich).

Feb. 24: "The Cage" (Robbins, Stravinsky), "Andantino" (Robbins, Tchaikovsky).

Metropolitan Museum of Art (tel. 535.77.10).
EXHIBITION — To Sept. 1: "Man and the Horse."

•Whitney Museum of American Art (tel. 570.36.33).
EXHIBITION — To March 3: "The Third Dimension: Sculpture of the New York School."

WALES

CARDIFF, St. David's Hall (tel. 37.12.36).
CONCERT — Feb. 27: University Choral and Orchestra Society, Alan Hoddinott and Clifford Burford conductors, Martin Jones piano (Rachmaninov).

RECEITAL — Feb. 28: Emil Gilels piano (Debussy).



Ashford Castle.

Baronial Style in an Irish Hotel

by Barbara Dubivsky

CONG, Ireland — Twilight was drawing near as we passed through the great iron gates, but there was light enough as we rounded a curve in the tree-lined drive to illuminate the weathered battlements and lofty turrets of Ashford Castle on the shore of the Cong River in Ireland's County Mayo. Wasn't it said, said the driver who had brought me from Galway, that President Reagan never saw the castle from this vantage point, coming and going as he did by helicopter during his stay here last June?

The reception desk was real enough, though so discreet that guests might feel they were arriving for a large house party (there are 78 bedrooms) rather than a stay at a castle-turned-hotel. The inner circumference of a huge round tower formed part of the wall, complete with paintings, large bathroom and a huge bench for luggage. The view was spectacular: a handful of palm trees in the foreground, several turfed follies off to the right and in the center an enormous circular fountain surrounded by a flower-bordered lawn. The lawn ran down to the ruin of the original 13th-century castle at the edge of Lough Corrib.

At dinner, under one of the sparkling crystal chandeliers — 620 pieces in each, carefully washed in sea water once a year, according to the maître d'hôtel — I ordered salmon, taken from the river just outside the dining room windows and smoked on the castle grounds, and a rack of Irish lamb, marvellously tender and delicately flavored by the herbs and sweet grass on which the sheep had grazed. Around me other diners were enjoying local prawns and oysters.

After dinner, it was down to the Dungeon Bar, a basement ballroom when the Guinness family occupied the castle. Now the splendid stone-vaulted room rings with the clear, pure voice of Annette Griffin and the strains of her Irish harp.

MONACO

MONTE CARLO, Salle Garnier (tel. 50.76.54).
Opera — Feb. 27: "Manon Lescaut" (Puccini).

NETHERLANDS

AMSTERDAM, Print Gallery (tel. 22.42.65).
EXHIBITION — To March 8: "Mitsumasa Saito."

•Rijksmuseum Vincent van Gogh (tel. 76.48.81).
EXHIBITION — To April 15: "Dutch Identity."

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MUNICH, National Theater (tel. 13.13.16).
EXHIBITION — Feb. 23 and 28: "Eugene Onegin" (Tchaik

FOR FUN AND PROFIT

Over Water on 2 Engines: Convenience vs. Risk?

by Roger Collis

WILL the passenger be trading lower safety standards for a spurious convenience by flying the wide-bodied, twin-engine planes now coming into service on long-haul routes of 8 to 10 hours?

This is the question being asked by the International Federation of Air Line Pilots Associations (IFALPA) and the International Airline Passengers Association (IAPA) as TWA inaugurates the first trans-Atlantic service with its fleet of extended-range Boeing 767s.

Both these organizations believe that commercial interests of manufacturers and airlines may be forcing regulatory authorities into premature approval of extended over-water flights by planes that were not designed for this purpose, and that unless new international rules for certification are enforced, passengers will be exposed to higher risks than with the three- and four-engine planes (Tristars, DC-10s and Boeing 747s) they are replacing.

The U.S. Federal Aviation Administration (FAA), the British Civil Aviation Authority (CAA) and the International Civil Aviation Organization (ICAO) are examining evidence for new certification and operating rules for extended-range twin-engine planes.

Meanwhile, Stephen Last, the principal vice president of the pilots' organization, is adamantly opposed to any kind of flight with fare-paying passengers until a set of rules is in place to insure that all the risks have been properly taken into account. "The technical people at the FAA and the CAA are largely in agreement with us about the safeguards that are needed," he says. "But we are very concerned that these will be watered down by commercial pressures and will not in fact be enforced."

Hans Krakauer, senior vice president of the passenger organization, says: "It is not an acceptable position for airline users to be caught between assurances on performance and safety by the manufacturers and the convincing technical arguments against the early introduction of these flights by the pilots to whom we trust our lives."

The planes at issue are the long-range version of the Boeing 767 and Airbus 310 (both wide-bodied) and the slender, single-aisle Boeing 757. These planes carry a maximum of about 200 passengers against about 430 for the Boeing 747. TWA says that its 767s consume 30 percent less fuel than any plane now flying the Atlantic.

What this means for the passenger is the possibility of daily nonstop services between cities that cannot justify daily 747 flights; for example, Düsseldorf-Lagos or Frankfurt-New Orleans. This will mean better use of crews and ground staff and may ultimately bring fares down (although this is probably a vain hope). But more convenient schedules may be offset by a greater chance of cancellations and diversions due to bad weather. The reason for this is that the "big twins" will need to stay closer to alternative airfields along transoceanic routes than planes with three or four engines. Across the North Atlantic, for example, airports like Keflavik in Iceland, Sandness in Greenland or Goose Bay in Labrador may present weather problems for an emergency landing.

TWA's first extended-range 767 arrived in Zurich, from Boston via Paris, on Feb. 1. This service, which operates five days a week, replaces the Lockheed Tristar for the month of February only. The airline plans to start daily nonstop round trips with 767s, one each between St. Louis and Paris and St. Louis and Frankfurt, starting April 29, with the intention of opening a new market between the Midwest and Europe. A daily 767 nonstop service is also planned between New York and Munich starting mid-June. The 767s have a configuration of two, three and two seats across, and carry 187 passengers, 18 in first class, 40 in business class and 129 in economy. Seat width and pitch is comparable with the Tristars.

The flights follow a northerly route across the tip of Greenland, which could require up to 30 minutes more flying time than the usual direct route closer to Newfoundland. This is because of the FAA rule for twin-engine planes that limits the distance they are allowed to be, at the farthest point on their course, from a suitable airport. The present rule is 60 minutes of flight time at single-engine speed, although in late January

TWA obtained a special extension to 75 minutes for its modified 767s.

TWA, as well as several other airlines waiting in the wings, is hoping that by the time its St. Louis service starts in April, the FAA will have extended the rule to 120 minutes, which would enable it to fly the direct, more southerly route.

An FAA spokesman confirms that its advisory circle proposes to establish criteria for 120 minutes. But he warns that the final outcome could be very heavily influenced by the public comment period, tentatively scheduled for early spring.

A 120-minute rule would be closely in line with the present ICAO guidelines, which call for 90 minutes distance from an airport at all-engines speed. This has been interpreted as 120 minutes at single-engine speed. (Normally if you shut down one engine on a twin-engine plane you slow down to three-quarters of the normal speed.) The International Air Travel Association takes the neutral position that there is no valid reason for reducing current ICAO recommendations allowing twin-engine aircraft to operate at up to 90 minutes at all-engines speed.

Insiders say that an ICAO proposal to establish a 60-minute standard may be wa-

Pilot, passenger groups sound safety warning

tered down because of opposition from some countries, especially Australia and France.

The big twins have been traveling safely across Europe and the Middle East and coast to coast in the United States on flights of four to six hours. So why has safety become an issue for these state-of-the-art planes that are perfectly capable of flying the slightly longer transoceanic routes?

"The big difference is that if you shut down an engine you have an emergency situation and so it's prudent to land as soon as possible. On a typical short-to-medium haul you're unlikely to be more than 30 minutes from an airport," says IFALPA's Last. "But flying across the ocean you're going to be relying not just on one engine but with 50 percent of your systems shut down for six to ten times longer."

Last is not convinced by the manufacturers' more extravagant claims of reliability for the big-twin jets of today. "Back in 1953 we were getting 91 engine failures for every million hours with DC-3s. This compares with 68 engine failures per million hours with 767s [that's shut down for whatever reason] and 25 failures per million hours with small twins, DC-9s and 737s." He does not think these statistics justify "the manufacturers' view that everything is so much better now." For instance, a fleet of 40 Boeing 747s typically might have up to 60 engine shutdowns a year.

In Aviation Week and Space Technology of last Dec. 17, McDonnell Douglas is quoted as saying that the extension of the 60-minute rule for over-water operations of twin-engine transports represents a "totally new risk" that the industry has a limited capability to offset.

A spokesman for Swissair said: "Airbus 310s and Boeing 767s were designed as short-to-medium-haul planes. We don't believe that the engines have been tested for long-haul flight. We would use planes like these for Africa and the Middle East, but definitely not across the ocean."

El Al operates 767s from Tel Aviv to Montreal, and British Caledonian is flying Airbus 310s from London to Lusaka, both under existing rules. Air Canada is said to be planning to use extended range 767s between Halifax and Britain.

Neither Last nor Krakauer of the IAPA is opposed to the ultimate use of the big twins on long-haul routes. What they are saying is that reliability and safety are not yet proven, and that the issues should be put uncompromisingly before the traveling public.

"What we would like to see is a proper demonstration flight, actually going out and shutting down an engine and carrying out all the emergency procedures, rather than waiting until something goes wrong in a commercial service with passengers," Last says.

Visions of India

by the Bengali director Satyajit Ray, an adaptation of a novel by Rabindranath Tagore. A complex tale of love and politics in Bengal in the first decade of the 20th century, it presents a non-British view. Unlike all the other films I have talked about, its main characters are all Indian. But even so, the story does not escape the influence of the Raj; Lord Curzon's division of Bengal, and the anti-Empire feelings it inspires 40 years before independence are the background of the central action.

For the real India, you have to go farther back, a view which Americans are about to get with the awesome "Festival of India" that is coming here this year. Like the Tj Mahal, the Festival is a reminder to Americans that there was an India worth paying

Continued from page 5

attention to long before the British acquired the place.

To be sure, Indian society was certainly an appropriate place for the English to overlay their own — two rigid class systems intertwined, with the majarajah and the white burra sahib coexisting in dazzling luxury at the top, both of them assiduously ignoring the masses at the bottom, even while they exploited them.

In "A Passage to India," the humiliating ordeal of being tried for attempted rape — analogous to India's long humiliation under British rule — rides Dr. Aziz of his obscenity. After it is over, he says with newfound dignity, "I am an Indian at last."

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Paris Sundays

light bistro lunch and a return to Paris by train in the late afternoon.

Port-Royal, in the Chevreuse Valley, can also be reached by riding the regional Métro, the RER, to the last stop at Saint-Rémy-la-Chevreuse. Charles de Gaulle Airport is the Chevreuse, last stop at the other end of the line, which means that a visitor with a Sunday stopover in Paris can take the RER from the airport to Saint-Rémy, spend the day hiking or biking (there is a rental service there), and return to the airport to catch an evening flight.

More strenuous Sundays can include scaling cliffs in the Fontainebleau forest and other areas around Paris, organized by the Club Alpin Français, another national association.

Similar services are provided for cycling fans by the Fédération Française de Cyclotourisme, including a handy map showing 50 all-day scenic bike rides in the Paris area, and a listing of Sunday outings for which participants can sign up in advance. "The fact that the railroad stations are jammed

Continued from page 5

with more and more members Sunday mornings, trying to get their bikes on trains to heading for the country, illustrates what is happening," comments Gérard Anglade, a psychiatrist, and trip organizer.

Many participants think that, compared to jogging, shopping in the Paris markets, visiting museums, or watching Sunday morning television, the primary advantage is the opportunity to meet the a broad spectrum of the French in a casual setting. "We get a lot of displaced persons coming along — teachers, post office workers, nurses, of other on these outings," says Boufil. "It works because it is a very flexible formula — you just turn up and enjoy the company."

Some telephone numbers for information or reservations: Randonneurs d'Ile de France, 542-24-72; Club Alpin Français, 742-3677; Fédération Française de Cyclotourisme, 580-30-21; Théâtre du Rond-Point, 256-70-80; Théâtre La Bruyère, 874-7699; SNCF Information, 261-5050.

TRAVEL

In Search of the Real Guido Riccio

by Susan Lumsden

SIENA, Italy — Gordon Moran is a most unlikely infidel to be assailing this Gothic tower of Italian art. The former New York stockbroker turned art historian — and with only a bachelor's degree at that — has been saying for seven years that Siena's most famous art masterpiece and tourist attraction, the monumental fresco of Guido Riccio, is not by the 14th-century painter Simone Martini, but a clever "substitute" painted perhaps in the 17th century. It would be equivalent, he says, to telling the Florentines that the statue of David was not by Michelangelo but by an inspired dilettante.

Last year Siena dedicated another major tourist attraction, the clamorous bareback horse race, the Palio, to Simone Martini, believed to have been born in 1284. A controversy over the artist was postponed, however, or perhaps because of Moran's lectures and articles. While the Italian art establishment and press have been largely hostile to Moran's views, recent coverage in the foreign press has started to shift the battle. The conference has been rescheduled for March 27, along with a Simone Martini exhibition, but the first volley won't be Moran's. He has been excluded from the official program.

Recently, the 46-year-old Moran spoke about the fresco to a group of art students in the Sala Mappamondo of Siena's Palazzo Pubblico, which houses "Guido Riccio." On the opposite wall there is the more characteristically Siennese goldleaf background fresco of the "Maestà," or Virgin Mary enthroned with angels and saints. "This is more securely attributed to Simone Martini," Moran said. "There are very few signed and documented works by Simone in the world, although there are about 50 attributed. As you know, 'Guido Riccio' is the one featured in every art history text as the forerunner of Renaissance portraiture and symbol of the power of the Siennese republic in the late Middle Ages."

Today, the commune of Siena uses the image as a travel poster, winners as a wine label and the Italian state railway as a decoration for its coaches. In short, "Guido Riccio da Fogliano at the Siege of Montemassii" is a national institution.

"Guido Riccio was a soldier of fortune, a mercenary from northern Italy," Moran said, pointing to the stark, desert-like landscape of the fresco that is still characteristic of the Siena area. "To the left and in front of Guido Riccio, there's the castle of Montemassii, which he captured in 1328, the date written on the border of the fresco. To the right, or behind him, there is a temporary defense structure called a *battifolle*, much like the old Wild West forts against the Indians. From this, the Siennese waged their victorious campaign."

AS the trouble with Guido Riccio was that he was probably a traitor. The Siennese supposedly discovered that he had let supplies into another enemy castle, Arcidosso, and he was banished in 1333. According to the practice of *dannato memoria*, Moran says, his portrait should have been defaced or destroyed. Yet, it seems perfectly preserved. Furthermore, continues Moran, the horse and rider look odd, even for so-called primitive art. "I began to think they were painted later, perhaps by one of Simone's pupils after Guido Riccio's name was cleared in subsequent victories for Siena," Moran wrote his first doubts for the University of Florence's journal *Paragone* in 1977.

A scaffolding soon appeared with one of Italy's leading restorers, Leonetto Tintori, aboard to determine whether Guido Riccio and his horse were an integral part of the fresco or painted over later by an inferior artist. They were painted at the same time by the same artist, said Tintori, which lead Moran to question the paternity of the entire fresco. The matter might have ended there had Tintori not discovered another fresco lower on the wall.

Now uncovered, it features the tall figure of a knight with a sword confronting another holding a pair of gloves, a symbol of surrender. The background is a palisaded castle on a cliff. It is in good condition except for the figures of the knights, which are scarred and pitted. Moran maintains that this is the original Martini "Guido Riccio," but accepting the surrender of Arcidosso.

As for the fresco above, not only the horse and rider seemed odd, Moran says military historians have told him that the *battifolle* was not invented until two centuries after the fresco was supposedly painted. Nor were the vineyards near the *battifolle* a 14th-century planting technique, but one developed much later.

AS these anachronisms were identified, official opposition to Moran grew. Finally in 1981, an official commission announced that the newly discovered fresco was not by Simone Martini but by his teacher, Duccio di Buoninsegna, depicting not Arcidosso but another castle, Guicciarico, captured by Siena in 1314. By backdating the identity of Guido Riccio remained legitimate.

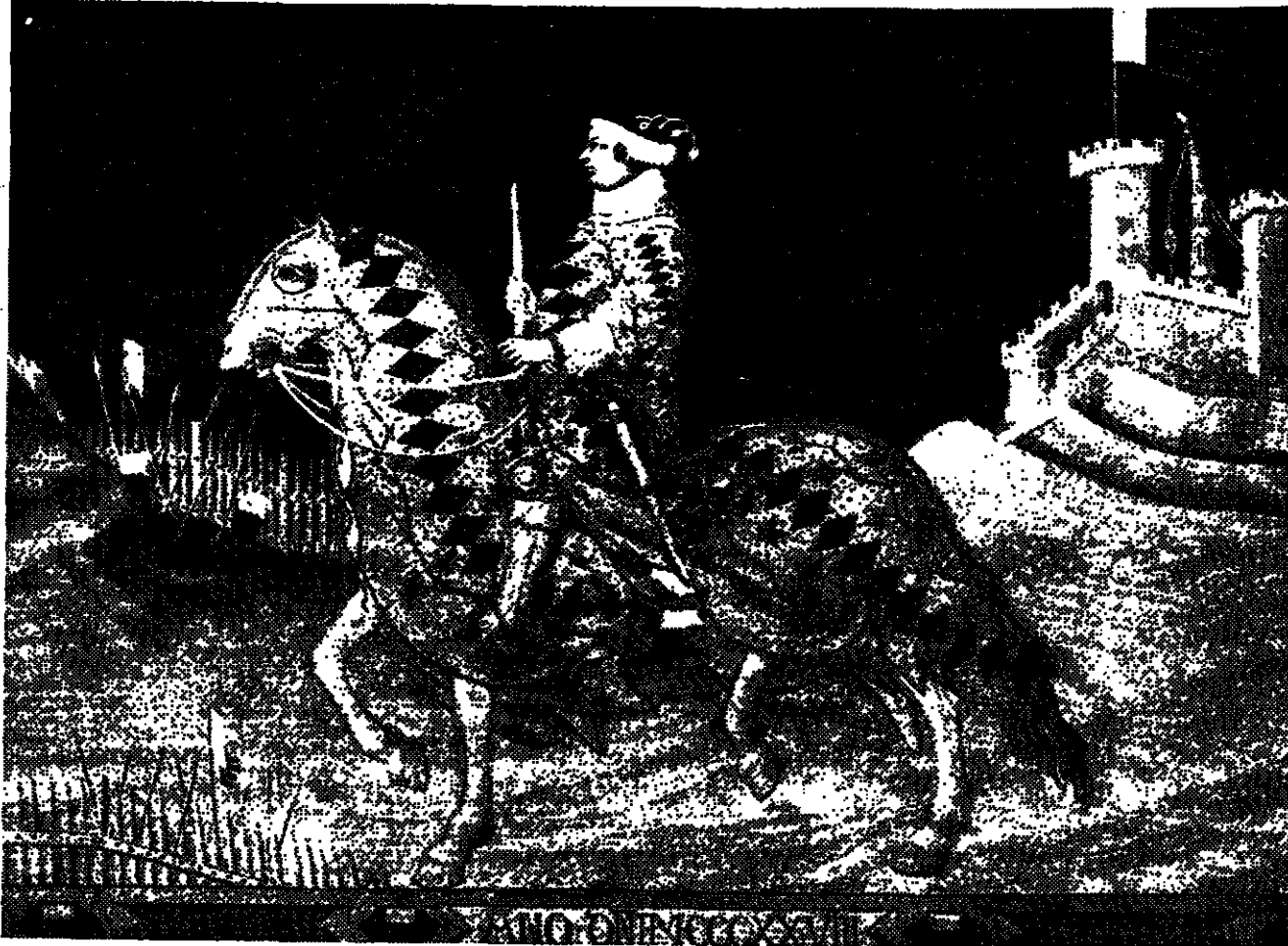
The only problem, volunteered Federico Zeri, a prominent art historian, is that the style is too sophisticated for Duccio and 1314. Zeri, who is not from Siena, is Moran's chief supporter.

The opposition, led by Siena's director of museums, Piero Torriti, maintains that Moran is too concerned with facts and figures that are difficult to prove. He is backed by two art historians, Luciano Bellosi of the University of Siena and Max Seidel of University of Göttingen. The Germans have a strong contingent in Chianti; a local landowner helped finance the recovery and restoration of the "new" fresco through the good offices of the German Kunsthistorisches Institut in Florence.

"It's obvious that the soft style and masterful technique of 'Guido Riccio at Montemassii' could only be by Simone Martini," Torriti said recently in a telephone interview. "I'm giving a paper at the conference that will prove my point." If he is wrong, he recently told an Italian journalist, he will go back to school and relearn everything from scratch. Basically, he says, the proof is in the style. "You just have to use your eyes."

Speaking to the students, Moran invited one to peer up at the fresco, which protrudes an inch beyond the two lower and unrelated frescoes, painted by Giovanni Sodoma in 1529. "The additional layers of plaster of the 'Guido Riccio' suggest it was done after 1529," he said. "Yet, the official opinion is that the wall moved."

Moran added that the only way to settle anything would be to remove more of the top frescoes in the Sala Mappamondo.



Guido Riccio in the contested fresco.

"This new Guido Riccio fresco could be one of a lost series of four, perhaps even seven castles, by the real Simone Martini. Preliminary scientific studies using thermovision have shown that there are four layers of plaster, highly frescoed, on the adjacent wall. It's now possible to safely remove frescoes and preserve them on a separate backing, just like paintings on canvas. And they can be reattached just as harmlessly."

Moran graduated in art history from Yale in 1960 and went to work on Wall Street. His Saturdays, however, were spent at the Frick Collection pursuing his passion for Siennese art. His first article was published in 1967 in the Yale Art Gallery Bulletin, on Ambrogio Lorenzetti, a contemporary of Simone Martini. "I enjoyed the business world and there was some money to be made," Moran said, "but my vacations in Siena were getting longer and more expensive. Finally, after five trips in 1974, I figured it would be cheaper to come to live here for a year. I've

just completed my 10th year and 40th article."

The other figure in the story is Moran's collaborator and former Yale classmate, Michael Mallory, a professor of art history at Brooklyn College. In New York, he pursues the case of Guido Riccio with the American academic community.

Moran says his case has been helped in some ways by the Modigliani fakes, referring to uproar last summer when three Livorno students created "Modigliani" busts with machine tools and passed them off on the art establishment as the authentic but rejected works of the frustrated sculptor, who supposedly threw them into the Livorno Canal in 1909. The experts recanted only when the fakers went on television to produce another "Modigliani."

"All of art history is about who said what and the who is often more important than the what," Moran says. "In the old days, art history was not a discipline, but a thing of

connoisseurs and a very private one at that. There were no politicians, mayors or tourist dollars involved in these questions. They could be discussed quietly and I imagine, more openly."

While the Modigliani affair can be written off as a student prank, he believes the "Guido Riccio" is possibly a case of ancestor worship. The great Piccolomini and Bichi families of Siena were related by marriage to Guido Riccio da Fogliano, says Moran. "It's quite possible that someone in the 18th century wanted to glorify the joint family history by painting this triumphal equestrian portrait over the one that had been defaced in the 14th century. It is odd that the first description of the fresco as it appears today dates only from 1730. But whether I'm right or wrong, the real issue is how the art world is handling the question."

Pending judgment, the "case of the century," as it is being called, is still on view on the second floor of the Palazzo Pubblico from 9 A.M. to 1 P.M. Admission: 2,000 lire.



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Herald Tribune

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Time for Linked Growth

Last Oct. 31 in this space we urged governments to consider joint action to spur growth and jobs in 1985. Now President Reagan and Fed Chairman Paul Volcker have suggested inter-governmental effort to spread recovery beyond America's shores. Other governments may look askance. Should not America put its own shop in order first? But the suggestion has merit.

This is the right moment to coordinate strategy for growth. The May summit meeting of the seven major economies is in full preparation. Stronger demand in Europe and Japan might help to correct the excessive strength of the dollar. More importantly, and more certainly, it would help correct Europe's mounting unemployment and Japan's inexorable conquest of world markets.

Extravagant action is not called for. Europe is not yet free of inflation and it would be madness to revive that infection. But there is room for action in at least two major countries where inflation has been substantially reduced and the trade balance is strong or acceptable—Britain and West Germany.

Both have recently achieved major reductions in the budget deficits that their authorities judged fundamentally harmful. In both there is a certain margin of spare capacity that could be brought into use. They should judiciously relax their budgetary policies. They could reduce taxes. (Bonn already plans to do this in 1986 and again in 1988, but there is no imperative reason to wait till then.) They could increase public spending moderately, to the advantage of their citizens. In Britain particularly, there

should be cuts in the charges that employers have to pay to take on more labor, and in the taxes and other disincentives that make it more interesting for workers to stay in the dole queue rather than accept jobs.

West Germany says its economy is too small to play the role of the locomotive that pulls the world back to prosperity. Nobody asks it to do that. But it has a contribution to make—however modest—and one that 2½ million of its own jobless will welcome.

In Britain the decline of the pound raises the question of whether anything worthwhile can be afforded, but this argument can be overdone. The fall has not been all that great against most of the countries with which Britain trades. What mainly happened was that the dollar went up against the world as a whole. And *insofar as sterling has in fact fallen on a worldwide basis*, there is less danger that a mild bit of British deflation will simply suck in imports.

And Japan? A country with very low inflation, a mountainous trade surplus and labor waiting to come onto the market if solicited can surely afford some effort to stimulate home demand and reduce the extent to which its growth depends on exports. But the real contribution Japan could make lies in import policy—relaxing the arcane standards and regulations, and the purchasing policies of the public monopolies, that create nightmares for competitors. Japan must choose which contribution to make.

The Reagan-Volcker hints are important. Leading countries should follow them up.

INTERNATIONAL HERALD TRIBUNE

Apartheid Hits Out Again

What kind of thuggery is going on in South Africa? The government has arrested more than a dozen leaders of the United Democratic Front, the principal black nationalist organization. At least six were charged with treason and will be tried next month in Durban along with eight other UDF figures already in jail. The eight had been detained without charges last year for protesting against the new South African constitution, freed partly as a result of President Reagan's intervention and then promptly arrested and charged with treason.

The South African authorities have not made public the basis of the charges. Their record, however, makes it impossible not to suspect a political purpose.

The authorities let the UDF be organized two years ago. It was formed out of hundreds of local black union, civic, church and social organizations. For a while leadership looking to reform the apartheid system, as President P.W. Botha claims to be doing, it made a certain sense to sanction a moderate, non-ideological, community-based organization devoted to nonviolence. The need for such a structure became especially clear after blacks overwhelmingly rejected the government's diversionary scheme to divert urban black political aspirations into local town councils.

Almost from the start, however, the UDF

has been severely harassed by a government evidently alarmed by its popularity, momentum and potential as a national political vehicle. And now it has been in effect decapitated, although its decentralized, constituent nature offers it some possibilities of a continuing life. Whether the government will dare to ban an organization claiming more than a million members may be the next question.

Apartheid seeks to reserve to the white minority authentic national political rights and to spin off blacks to tribal "homelands." But the whites have never known how to handle the millions of urban blacks who do not live in the homelands and who cannot all be relocated, if only because they are needed in the work force. The right and necessary thing would be to accept blacks as permanent South African citizens and to begin arranging with their chosen leaders their passage to equality and freedom. But that the white power structure has so far refused to do.

It only toys with the idea of releasing Nelson Mandela, a long-jailed nationalist. It accepts a UDF, partly for considerations of international display, and then loses its nerve and concocts a "treason" conspiracy against it. Its performance is wretched and shortsighted and can only produce further grief and bloodshed.

—THE WASHINGTON POST

The Cost of Auto Quotas

President Reagan apparently has decided not to extend the quotas on imports of Japanese cars. The White House says the future of the quotas is up to the Japanese. That is merely an attempt to perpetuate the fiction that the quotas are voluntary restraints exercised by Japan. The Japanese government will not be able to maintain tight limits on the automobile companies' exports in the absence of an explicit U.S. requirement. The pattern of imports will now shift from the precise numerical quotas of the past four years to a much fuzzier sort of understanding that permits a rising volume of Japanese cars to come into America but (probably) discourages sudden surges.

Why get rid of the quotas? You might note a recent coincidence. On the same day last week that the Chrysler Corporation announced record profits, the federal International Trade Commission published its report on the effects of the quotas. By holding down the number of Japanese cars, the quotas push up the profits of the American automobile manufacturers. The three big American auto companies—General Motors, Ford and Chrysler—reported \$9.8 billion in profits in 1984. The cost of the quotas to American consumers, according to the ITC, was \$3.5 billion.

Not all of that \$3.5 billion went to the American companies. The Japanese companies and their American distributors got \$3.3 billion of it. The import quotas constitute a

gigantic subsidy from American automobile buyers to Japanese and American producers. It is not a conventional subsidy, since it does not pass through any public budget, but it is real money. The ITC calculates that last year the average price of Japanese cars sold in America was \$1,300 higher than it would have been without the quotas, and the average price of American cars was about \$650 higher.

The purpose of the quotas was to save jobs in the American automobile industry. In that respect the quotas have been fairly effective. Employment in the auto industry is currently just about where it was in 1981, when the quotas were first imposed. That, the ITC says, is about 44,000 jobs higher than there would have been without the quotas.

Isn't that a good thing? Yes, for auto workers. But not for other workers. By keeping out Japanese cars, the quotas aggravated the overvaluation of the dollar's exchange rate and increased its impact on other industries that do not enjoy the benefits of quota protection. Quotas do not save jobs; they just move unemployment from one industry to another.

With the auto quotas, the Reagan administration established an international cartel which, in cost to American consumers, ranks second only to OPEC. Mr. Reagan speaks fervently of his confidence in open markets. As he sometimes says: If not now, when?

—THE WASHINGTON POST

Egypt Is African and Its Principal Problem Is Water

By Joyce R. Starr

CAIRO — "The next war in our region will be over the waters of the Nile, not politics," said Butros Butros Ghali, Egyptian minister of state for foreign affairs, in a recent interview. "Washington doesn't take this seriously, because everything for the United States relates to Israel, oil and the Middle East. They're aware of the African dimension of our problem, but it's simply not a priority."

Egypt's increasing preoccupation with the three-year drought in Africa is little known and rarely discussed. But a week of interviews with senior officials suggested that all other issues, including relations with Israel, pale by comparison to growing anxieties over water.

A presidential adviser, Ossama el-Baz, acknowledged that the issue of water is viewed in the inner circles of the Egyptian government as central to Egypt's future. The amount of water stored behind the Soviet-built Aswan Dam, he said, "is today barely sufficient to carry us for one more year."

Egypt's present water crisis is the worst since 1913, Egyptian experts say. A continuation of the African drought into a fourth or fifth year would drastically affect Egypt's tourism revenues, making the Nile unmanageable for leisure vessels while creating acute water shortages in hotels, and would all but eliminate oil export revenues as oil becomes the only ready alternative for generating electricity, with targeted cuts in power. Egypt's nuclear power facility almost a decade away.

A prolonged drought could also ultimately mean millions of starving Egyptians.

"Our problem cannot be solved according to classical formulas," Mr. Butros Ghali insisted. "Without political imagination, Egypt will become a new Bangladesh fraught with drought and famine—but with one difference. This Bangladesh will be on the beaches of the Mediterranean—only one half-hour by jet from the rich people of the north."

When the drought began three years ago, the Aswan reservoir was full. By the beginning of 1985 Egypt had withdrawn more than 50 billion cubic meters of water, taking 20 billion in the last year alone when the inflow from the Nile was the lowest in 15 years.

If the drought continues for another year, said an official at the U.S. Agency for International Development, the reservoir will drop sufficiently to affect power generation. If it goes on two more years, "Egypt will have used up all of its 'live' usable storage. By the third year they would have no power generation and only enough water to serve two-thirds of the area presently being irrigated."

The chances of the drought continuing "approach infinity," he pointed out. But even if the dry spell should end, the Nile is no longer sufficient to support both Egypt's burgeoning population (expected to increase to 15 million by 1990) and the needs of the 68 million in the next 12 to 15 years.

and the nine other African nations that also look to the Nile's water for survival.

As these countries shift from dependency on rain to modern irrigation techniques, "the quantity of water available to Egypt will also be less," Mr. Butros Ghali said.

Egypt supplies its population with free water for farming, thus encouraging reliance on the ancient tradition of "flood" irrigation instead of strategies to conserve water. Any Egyptian, wealthy farmer or peasant, can draw as much water as he pleases from a national canal system below ground level, so long as he can pay the meager price of a pump to bring the water up. "Even my garden is flood-irrigated," a U.S. official commented.

The government, according to Mr. el-Baz, is considering a combination of measures to deal with the problem, including negotiations with Sudan to reactivate work on the Jonglei canal, a possible tariff on domestic and agricultural uses of water, and a media campaign to educate the people in water conservation.

He indicated, however, that while the government of President Hosni Mubarak has been preparing over the last several months for a "worst case scenario," it is having a difficult time focusing the attention of neighboring African states in the Nile users' organization. "These countries are wrapped up in their local matters and under the best of

circumstances are not inclined to plan. They keep wishing and hoping the rain will fall and that everything will be all right."

Work on the Jonglei canal was recently halted when the chief engineer was kidnapped by southern Sudanese insurgents who claimed that Egypt planned to steal Sudan's water. He has since been freed, but the affair scared Western firms participating in the project.

Mr. Butros Ghali adds that deepening the first canal or creating a second could take two to three years of negotiation, and another two years to secure funding from the United States or Europe—and then as many as 10 more years to complete construction. "Again we are talking about the year 2000 when Egypt will have 15 million additional people."

The government's media campaign is having limited success. "Hardly a day goes by that there isn't some message on the television meant to educate the people," said Mohamed Abdullah, chairman of the foreign affairs committee in the People's Assembly. "The government is aware of the problem and trying to find a correct approach. The dilemma is that our people, including most of the elite, do not yet seem to grasp the magnitude of the issue or the potential catastrophe involved."

The writer directs the Near East program of the Center for Strategic and International Studies at Georgetown University. She contributed this to the International Herald Tribune.

The Shevchenko Memoir Sends Opposite Messages

By Charles William Maynes

WASHINGTON — Several years ago, the most extraordinary accounts of the Soviet attitude toward Andy Young, then the U.S. permanent representative to the United Nations, used to flow into the Department of State, where I was serving as assistant secretary of state for international organization affairs.

According to those reports, which came directly from an unnamed Soviet source, Mr. Young was greatly enhancing American prestige and influence among Third World countries to the detriment of the Soviet Union.

In formulating U.S. policy toward the Soviet Union, both hawk and dove have a role to play.

Worried Soviet officials were searching for a counterstrategy. With the publication of Arkady Shevchenko's sensational memoir "Breaking With Moscow," the source of those reports is now clear. For nearly three years, until his defection in 1978, Mr. Shevchenko served as an American spy, using his privileged position as undersecretary-general of the United Nations for political and Security Council affairs to inform the U.S. government of Soviet plans on a number of highly sensitive issues.

Mr. Shevchenko had previously been a personal aide to and protégé of Foreign Minister Andrei Gromyko. It is safe to say that the Shevchenko memoir will influence American attitudes toward the Soviet Union for years to come.

There are several ways to read the book: as confirmation of Soviet megalomania, as evidence of splits within the Soviet leadership and as proof of recurring—and missed—diplomatic opportunities for America.

For those who see the Soviet Union only as an "evil empire," the book is a godsend. Soviet leaders are described as "avidly" seeking hegemony. They are "all hawks with respect to the final goals of their policy." They are also ruthless. Mr. Shevchenko suggests that they may have ordered the assassination of Dag Hammarskjöld, the UN secretary-general who died in a 1961 plane crash in what is now Zambia while on a mission to the Congo.

Soviet officials, Mr. Shevchenko says, value the United Nations only because it is in New York, a convenient place to assign their many spies. Alongside the revelations in the book that reinforce fears about the Soviet Union are revelations that call

into question persistent American beliefs about the relationship.

Many American accounts of U.S.-Soviet relations cite as the height of Soviet hostility Mr. Gromyko's conduct during the Cuban missile crisis. But Mr. Shevchenko believes that his former patron probably was not lying to President Kennedy when he denied that the Soviets had installed missiles in Cuba. He may have been in the same position in which then UN Ambassador Adlai Stevenson found himself during the Bay of Pigs crisis, when he angrily denied before the United Nations that the United States was involved in the invasion of Cuba, only to learn later that his own government had misled him.

Not, according to Mr. Shevchenko, are the critics of détente correct when they point to Soviet behavior before the 1973 Middle East war as proof that the Soviets were abusing the rules of détente. The Soviets did not urge the Egyptians to attack Israel, he asserts. He says that the war took the Soviets "by surprise."

From talks with "numerous Soviet leaders, military and nonmilitary alike, including members of the Politburo," Mr. Shevchenko believes he is in a position to state that the Soviet Union would never initiate a nuclear war against the United States.

Drawing on his work with Mr. Gromyko and Soviet Ambassador Anatoli Dobrynin, he details the two diplomats' repeated efforts to give top Soviet leaders a more accurate picture of American life.

There are problems with the book. For example, Mr. Shevchenko defected in 1978, yet he claims to know Mr. Gromyko's attitude toward the transition from Yuri Andropov as general secretary to Konstantin Chernenko, which took place years later.

Putting together the problems and the contradictions, where does the book leave us? Just about where we were before it appeared.

What it tells us is that Soviet leaders are both ambitious and prudent. They would like to prevail over their American rival and they will look for any useful tool in this effort. But they do not want war. And they back away from steps that clearly seem to bring it closer. For much of the Cold War period the United States has followed roughly the same policy.

The real message of Mr. Shevchenko's memoir is therefore that in formulating U.S. policy toward the Soviet Union both the hawk and the dove have a role to play. Overall policy should perhaps be harder than at times it has been, but at important moments it should be softer than it has ever been allowed to be.

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A Law of Diminishing Soviet Leaders?

By Stephen F. Cohen

PRINCETON, New Jersey — A fundamental question about the nature of the Soviet political system is often overlooked in speculation about possible successors to Konstantin Chernenko, whose health is failing one year after he became general secretary. Does it matter so much who will be the next Soviet leader?

Eventually it may matter, but that is far from certain. As in other political systems, the personality and individual views of a Soviet leader have sometimes profoundly affected the

foreign policy than his predecessor.

The question is whether this remarkable trend is a kind of law of diminishing general secretaries, reflecting deep structural changes in the system, or merely the result of a coincidental succession of aged and ailing leaders, and thus apt to be reversed by a younger successor.

There is no set pattern of supreme leadership in the Soviet Union, which has had only six leaders since 1917—three of them since 1982. Each led the country in a different way.

Lenin possessed personal authority unrivaled among his colleagues, even though he held no special post in the party and made decisions collectively with them in leadership councils in which raucous disagreements over policy were common.

Stalin's long rule transformed the nature of Soviet leadership in two important ways. In the 1920s he emerged as Lenin's successor largely by using the bureaucratic powers of appointment inherent in his position as general secretary, thereby making it the post for future successors as well. But in the 1930s he became a capricious and unchallengeable tyrant, over the party and the country, on the basis of police terror. Nominally, other high officials sat with Stalin in the Politburo and the Central Committee, but they did so at his pleasure and often perished at his whim. They were, as Khrushchev later remarked, "temporary people."

More than any other factor, that traumatic experience shaped post-Stalin leadership. Fearing the advent of another despot above them, Soviet elites have imposed constraints on every subsequent leader.

Despite his activism, Khrushchev was always challengeable on matters of power and policy, as was demonstrated by his abrupt overthrow by the Central Committee in 1964. Alarmed by his increasingly arbitrary behavior, that representative assembly of ranking elites resolved that no future general secretary should also be head of the government bureaucracy, or premier, as Khrushchev had been. So Leonid Brezhnev lacked a formal state title until he finally acquired the honorific presidency in 1977.

Constraints on the general secretary, even in the area of appointments, grew into a tacit system of checks and balances during Brezhnev's 18-year reign. A de facto sharing of power evolved among high-level party and state officials, only a few of whom actually sat in the Politburo. Brezhnev's conservative poli-

cies both reflected and nurtured the new leadership system by virtually guaranteeing life tenure to such officials, by respecting the prerogatives of their fiefdoms and by not imposing significant policy changes.

Once power has been so diffused in a political system, it is hard to retrieve. It may be especially difficult in the Soviet system, where elites have learned to thwart reforms from above and where a new general secretary seems to need at least five years, more than an American presidential term, just to consolidate his authority as leader. Yuri Andropov, who succeeded Brezhnev in 1982, was too old and ill to accomplish that feat, and the same is true of Mr. Chernenko.

Not is there clear evidence that the Soviet elite now yearns for a strong leader. Some analysts mistake grassroots nostalgia for Stalin, the "strong boss," for elite opinion.

Some assume that Andropov, a former KGB chief, was chosen to be a strong ruler. But it may well be that the Central Committee, which selects the general secretary, knew about Andropov's kidney disease and thus had no illusions about his prospects.

Above all, there is the telling fact that the Soviet elite has tolerated and chosen aged, feeble leaders ever since Brezhnev became seriously ill in the late 1970s.

A revitalization of the top leadership position is still possible in the Soviet Union, particularly if linked to growing sentiment favoring economic reform. The decision-making process remains highly centralized and the power of the party Secretariat, however diminished, still exceeds that of any other institution.

Andropov's "anti-corruption" campaign showed that a general secretary can devise new ways to extend his authority to the bureaucratic territory of recalcitrant officials. Moreover, the two logical candidates to succeed Chernenko, Mikhail Gorbachev and Grigori Romanov, are considerably younger, and, it seems, healthier men. With luck, either would have time to try.

But unless a strong elite sentiment and political coalition for reform stands behind the next general secretary, he will end up, as did his recent predecessors, being a mediator of conflicting interests rather than a maker of policy. He will reign rather than rule. In that fundamental respect, who will occupy the office of general secretary is now less important than what puts him there.

The writer is professor of politics at Princeton University and a frequent commentator on Soviet affairs.

Five Open Questions, Light and Heavy

By William Safire

WASHINGTON — Here are questions, light and heavy, to which not even a certified boffin has been able to find an answer: Who decided that the 40th anniversary of going to be the 40th anniversary of going? The free world is knocking itself off its axis trying to decide what to do about the 40th anniversary of V-E Day, Jewish groups are solemnly observing the 40th anniversary of the liberation of Dachau. Right-wingers are working themselves up into a rage about the 40th anniversary of the Yalta agreements. It is as if 50th anniversaries suddenly went out of style.

Who cares if this year is the golden anniversary of Social Security in the United States, and of the U.S. Senate's present rejection of the World Court? This very week has brought the 25th anniversary of the demolition of Ebbsfield Field (Hit Sign, Win Suit), with none so poor as to do it reverence. Gold and silver anniversaries have we none; all we get is rubies, as we march in lockstep to remember 1945.

What negotiating genius in the Reagan administration decided that this would be a handy time to reward Japan with an end to its restrictions on auto exports? Japan's closed-door market is responsible for a \$37-billion trade deficit, one-third of America's international red ink. They won't let Americans sell them a cigarette or a baseball bat, while American consumers keep Japan's factories running overtime.

It is as if the unilateral disarmament had taken over at the White House, urging America to turn in its atomic bargaining chips for cow chips. By being Mr. Nice Guy, doorman diplomatists hope Japan will suddenly change its ways and embrace free trade. That is the silliest notion since the Nixon administration got nothing for giving the Japanese back Okinawa—the invasion of which, by the way, took place 40 years ago next April 1.

Who is the secret editor in super-chief of TimeWeek, the mind-set conglomerate that dictates to Time and Newsweek that they must have the same cover? In the last six years, cover subjects have been identical 82 times, or 26.3 percent. At times of earthshaking news events, duplication can be expected, but is it coincidence or conspiracy that results in simultaneous covers on Saturday, or forgery? What shadowy Henry Anatole Graham gave the order two weeks ago to zero in on the American farmer, and followed it up this week with a ukase that produced a simultaneous hooking of Time and Newsweek on cocaine?

If bedrock U.S. policy is to keep Russian influence out of the Middle East, why has the chief State Department Arabist been discussing that subject this week in Vienna with Vladimir Potyakov, who used to mastermind Russian support of Middle East

troublemaking as envoy to Communist Southern Yemen?

The only reason offered for this obvious cave-in to Soviet demands is that it was mentioned by President Reagan in his United Nations speech last September, as if that previous mention were a reason.

I suspect that the stunning policy reversal may have had something to do with Mr. Gromyko's pre-election picture-taking at the White House, which led to arms talks and destroyed a Democratic issue. Certainly the agreement to deal with the Soviets in that area is a major concession at Israel's expense, no matter how it is denied; but nobody is willing to say what Washington traded its concession for.

Why does the speaker of the U.S. House have to get lessons in proper House terminology from the British prime minister? Mrs. Thatcher, at the start of her splendid speech Wednesday (which did not touch on America's Grenada invasion, which she opposed, or her Falklands war, some secret details of which may prove embarrassing), thanked the House for its "joint meeting." At the end, Speaker Tip O'Neill concluded "this joint session." But a session occurs when the two Houses convene to do business, as to hear the president's State of the Union Message or to count electoral votes. All other gatherings to hear speakers occur during a recess and are joint meetings.

The New York Times

Letter to the Editor

Farmers' Unmeant Sum

Regarding the editorial "Too Much Farm Support" (Feb. 7):

Even if a farmer had a flexible production schedule, he would not reduce production unless induced by the government to do so. Faced with large fixed costs, relatively constant marginal costs and no control over market prices for his products, the farmer tries to maximize his profit by maximizing his output.

Unfortunately, the sum of individual rational actions sometimes leads to disastrous results for all.

In America this has meant costs greater than revenues. Farmers have to turn over crops to the Farmers Home Administration as payment on loans. Is that "featherbedding," or a personal crisis for the farmer left

with little to live on in the winter? A possible solution for the United States would be a return to "set-aside" programs. That would eliminate the cost of storing and distributing huge surpluses, and also any reputation of the "payment in kind" disaster. But it would be perverse in a world of starving Africans.

Farmers must operate more efficiently. It does not pay for individuals to own hundreds of thousands of dollars worth of machinery that is rarely used. Joint ownership and co-operatives are called for.

But American agriculture, which has traditionally accounted for half the country's exports, will not recover until government deficits and the value of the dollar come down.

ROBERT EIGHTON, BOM.

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DOHA — Qatar's plans to expand its oil production capacity by 100,000 barrels a day in 1985, and to increase its oil exports to 90 percent of Qatar's revenues.

Where the Oil Goes

Petroleum exports from Qatar to 90 percent of Qatar's revenues.

As Demand

DOHA — Qatar's bank merged from another year with the urge to compete for exclusive deposits.

QATAR

A SPECIAL ECONOMIC REPORT

FRIDAY, FEBRUARY 22, 1985

Page 9

Gas Project An Anchor In Shifting Oil Market

DOHA — Qatar is forging ahead with plans to exploit its vast natural gas reserves by embarking on a multibillion-dollar project guaranteeing the country's oil-dependent economy immunity against unfavorable market fluctuations.

Qatar has a two-phase plan to develop the offshore North Sea field situated under Gulf waters to the northeast of the country. Official estimates put the field's reserves at 4.3 trillion cubic meters, while recent seismic surveys indicate that the field's reserves are well above the 5 trillion cubic-meter mark.

Qatar has the largest single natural gas field in the world, and its reserves rank fourth among the world's largest. With the North Sea field development project reaching full production capacity by 1996, it will become one of the world's top 10 producers and exporters of liquefied natural gas.

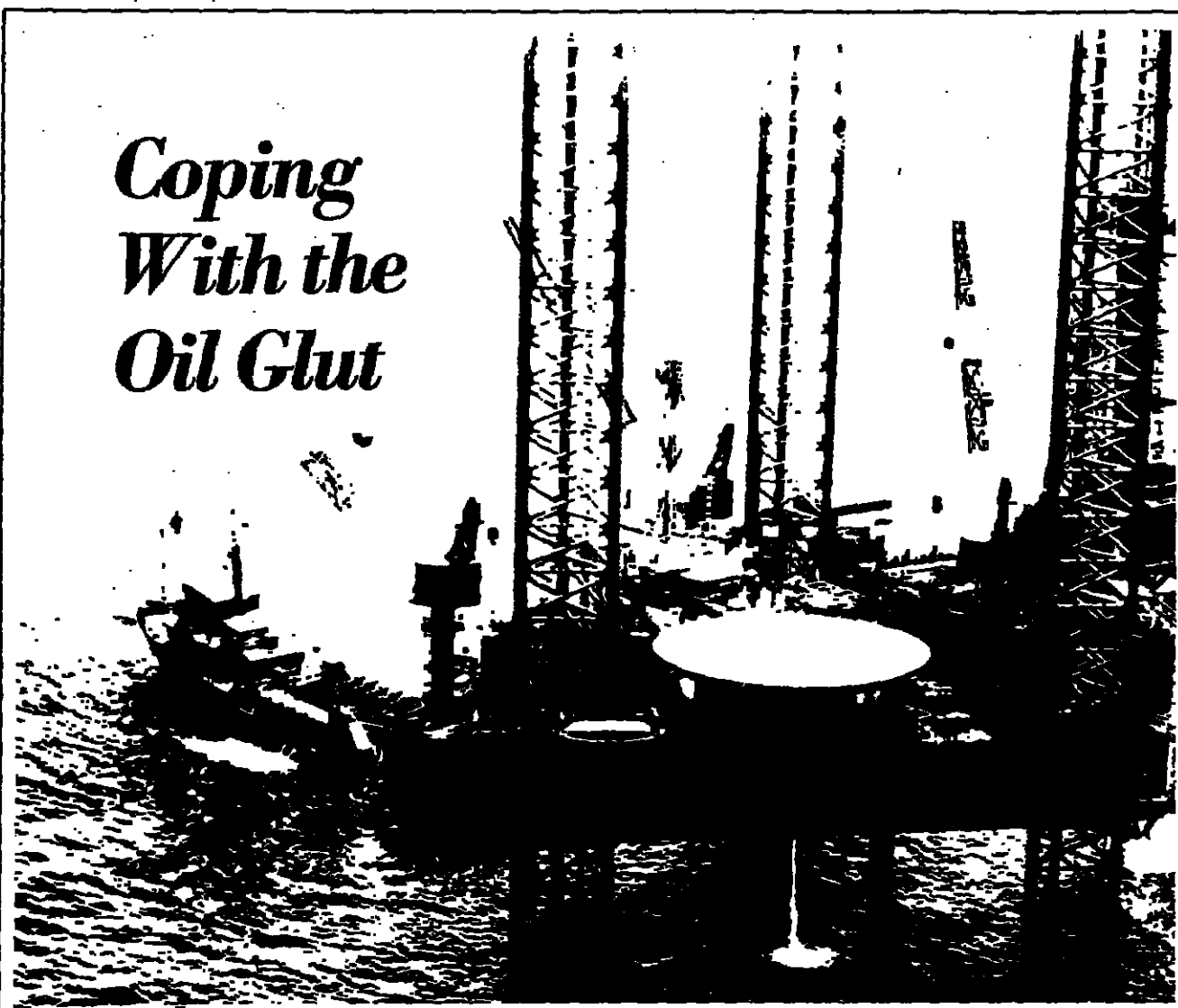
A step has been taken this winter toward developing the field as part of the first phase of the project aimed at satisfying growing local demand. Bids were invited for the supply and installation of a dozen offshore jackets last December. Investments of more than \$1.2 billion will be made to provide natural gas products for local power generation, water desalination and other major industries by 1988.

Reductions in Qatar's oil production quota dictated by the Organization of Petroleum Exporting Countries have entailed a drop in associated gas production, which currently represents a little less than half its capacity. Qatar's surplus of 300,000 barrels per day during the first half of last year has brought relief to the gas-dependent industries and helped the two liquefaction plants at Umm Said achieve record production levels in propane, butane and natural gasoline during that period.

Officials said that they hope surplus production from the first phase of the project would be channeled through a gas grid to other members of the Gulf Cooperation Council, who also have suffered from drops in their associated gas production caused by reductions in their quotas for crude output. Although a study has been put together on the GCC's part of the project, the subject seems not to have been

(Continued on Next Page)

Coping With the Oil Glut



Industries Face Competition and Obsolescence

By Sarah Seagriff

DOHA — Qatar's recoverable oil reserves have never been given as long a life — around 40 years at present production rates — as some current producers. Hence, the emirate, which began producing oil in 1949, was one of the first Gulf states to concentrate on diversifying its economy away from wholesale dependence on petroleum.

As other Gulf oil producers have diversified too, Qatar has had to face increased competition at a time when several of its industrial plants are becoming obsolete.

Most of the country's heavy industry is located about 30 kilometers (18.6 miles) south of the capital of Doha, at Umm Said, where the port facilities are deep enough to accommodate large vessels. The Industrial Development Technical Center was set up in 1973 to devel-

op the heavy-industry area, which includes steel, fertilizer, natural gas liquid (NGL) and petrochemicals plants. There is also a cement plant on the other side of the peninsula, near the Dukhan oilfield from which it draws its feedstock. All these industries are fueled by gas, and the Qataris used to boast that 95 percent of their gas was put to use when most Gulf gas still was being flared.

Feedstock, however, has become a problem for Qatar's industry. Both onshore and offshore fields produce associated gas that is piped to Umm Said and fractionated at its NGL plants. But quantities are affected by production levels. In 1983 these were well below the demand for gas. Last year oil production picked up considerably, and this year it is reaching the OPEC ceiling of 500,000 barrels a day. By 1986, however, Qatar will need to produce 400,000 barrels a

day if industry's demands are to be met. Hence, the need to press on with the development of North Field gas. At the moment, some nonassociated gas is being produced from a small onshore Khuff reservoir, but this may run out by 1988 unless offshore gas is reinjected to maintain pressure.

The cement industry, in Qatar as everywhere else, is suffering from the current glut. Qatar's cement plant (43 percent government-owned, the rest by private local investors) began producing in 1965 at a rate of 330,000 metric tons a year, purely for the domestic market. A new plant would need to produce double that quantity to be competitive.

Meanwhile, other Gulf states, notably the United Arab Emirates, which has a cement surplus of six million tons a year, are taking advantage of the Gulf Cooperation Council's reduction of tariffs between members to dump products in Qatar. The company has cut its prices by up to 30 percent, and is looking to a revival of the local economy to improve demand for cement.

Qatar Steel Co. also has been affected by dumping. Qatar's was the first steel plant in the Gulf and has been producing steel bars for construction since 1978. It is a joint venture of the government (which owns 70 percent), Kobe Steel of Japan (with 20 percent and the management contract) and Tokyo Steel (with 10 percent and responsibility for marketing). At the moment it is fueled by Khuff gas.

Qatar Steel's plant was designed for export and has relied on the Saudi and Kuwaiti markets. The construction industry in the Gulf states has been hit by the recession caused by the oil glut, and Saudi Arabia now has its own iron and steel plant, twice the size of Qatar Steel's 450,000-ton design capacity.

Despite price cuts by Qatar Steel and a 20-percent import duty on non-GCC steel, dumping from outside the Gulf also has been a problem; the main offenders are the East European producers. Qatar Steel hopes to counter this by persuading the ore producers (Brazil and Sweden) to cut their prices. Any expansion of production to cut costs would depend on the availability of North Field gas.

Economy Is Moving Slowly Out of the Gulf Recession

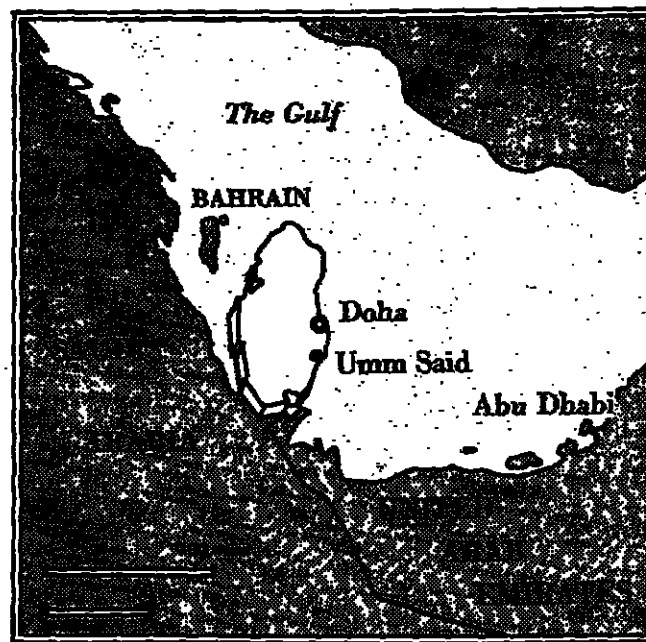
By Olfat Tohamy

DOHA — Qatar is moving slowly out of a recession that has plagued the Gulf since 1980, and is gearing its economy to absorb the benefits of the current upturn.

However, the emirate continues to cope with the combined effects of the Iran-Iraq war and the world oil glut. For the first time, it has made allocations this year for defense spending with the aim of building an air base near the capital of Doha to house 14 Mirage jet fighters imported from France. It also is participating in OPEC belt-tightening measures to save oil prices from another collapse.

Qatar depends on oil exports for 90 percent of its revenues. But there are signs that these revenues, slashed by 40 percent in 1983 following a \$5 cut per barrel of oil, recovered significantly last year. After having been one of the countries most severely hit by the unexpected price decline, Qatar had the highest percentage increase of crude output last year. Its previous defiant attitude toward OPEC regulations and its insistence on breaking the production quota of 300,000 barrels a day through the first three quarters of last year, caused Qatar rebukes and another slash in its quota. Its present output appears to be in line with the new quota of 280,000 barrels a day. And the narrowing of the pricing gap between heavy and light crudes should enable Qatar to get over marketing problems that it has had without resorting to spot sales or barter agreements.

Qatar has a small economy with a narrow base, which explains its vulnerability to fluctuations in the oil market. Although the rest of the state's revenues is provided mainly by industrial exports, the local industries also are reliant on the country's oil and natural gas output. With the exception of cement and steel, which continued to face tough competition through last



Hubert Cork International/WT

year, the country's output and exports of petrochemicals and fertilizers have increased, and have made up for the most part for the previous year's disappointing results.

The consensus among officials, led by the minister of finance and petroleum, Sheikh Abdul Aziz Khalifa al-Thani, and specialists in the economy and related financial fields is that the pace of economic growth is proportionate to that of government or public spending. This is due, they say, to the small size of the local private sector to diversify its activities.

The statistics showing demand on private-sector credit reflect the extent to which government expenditure spurs the economy.

Caution has been a hallmark of the Qatari government's management of the country's economy, often resulting in underspending. The

stringent 1983-84 budget was underspent, and the country's economy emerged from its worst year with an almost total freeze on major projects and a smaller deficit than originally projected.

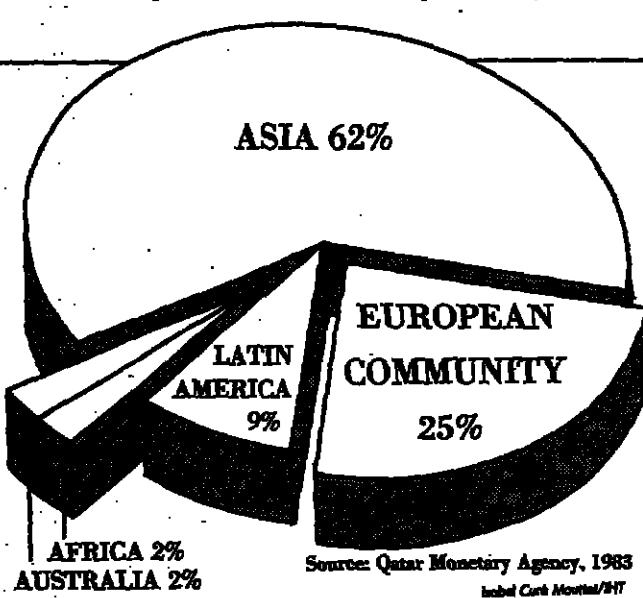
The trend seems to be continuing for the current year, with the sharp rise in the state's revenues from oil exports not trickling down to the private sector in the same proportion. With a slight increase in capital spending planned for the current year, and modest estimates of revenue increases, the overall budget deficit for this year amounts to 3.682 billion riyals (about \$1.011 billion). But economic performance indicates that the gap between revenues and expenditures could be much smaller, contrasting with the previous year's large deficit.

"I think we are close to the end of this cycle," said Qatar National

(Continued on Next Page)

Where the Oil Goes

Petroleum exports provide up to 90 percent of Qatar's revenues.



As Demand Softens, Banks Compete for Deposits

DOHA — Qatar's banks have emerged from another difficult year with the urge to compete more fiercely for elusive deposits and shrinking business.

Two new banks, Qatar Islamic Bank and Qatar al-Ahli Bank, have brought to five the number of local banks, in addition to 10 branches of foreign banks operating in the country. With the possible exception of Qatar Islamic Bank, all of these banks are commercial banks serving the needs of the private sector, which continues to endure the recession for the third year. The reduced demand on imports, dropping by 25 percent in 1984, and the fall in construction activity have contributed to the sluggish demand for commercial banking services.

At the end of 1984, the banking sector's assets, amounting to 13,323 billion riyals (about \$3.66 billion), according to the Qatar Monetary Agency, had grown hardly at all from the preceding year. The banks' deposits base remained almost stagnant, at 9,585 billion riyals, divided about equally between local and foreign deposits. Throughout 1984, liquidity squeezes and money-supply fluctuations were among the major difficulties banks had to cope with through increasing local and foreign interbank operations. Their loans and advances to the government and state agencies remained frozen below their 1981 level. Facili-

ties extended for financing private-sector trade, making up about half the credit provided by banks last year, also leveled off in 1984. With construction activity slowing down and investment in real estate slashed to one-third of its level before the recession, the second-largest private sources of demand for credit shrank substantially. The private sector's problems resulted partly from delays in payment by government agencies, particularly in the case of construction firms, but were largely the outcome of liquidity squeezes. This has been reflected on the aggregate balance sheet of all banks operating in the country — put together by the monetary agency at the end of last year — in the form of unusually high provisions for doubtful or bad debts, amounting to 14 percent of their liabilities.

Moreover, the banks had to adapt to restraints on the volume of their activities produced by a sharp fall in capital transfers over the last two years — a phenomenon that is linked to the relative improvement of interest rates on rial deposits over gradually falling interest rates on dollar-denominated deposits. This has led the monetary agency, which had prepared studies recommending raising interest rates on local currency deposits to halt a continuous shift to dollar deposits, to opt for maintaining the present rates, said the agency's chairman,

Majid al-Majid. The rates, which have been fixed over the last four years, are 4.5 to 5 percent on savings accounts, 5 to 7 percent on notice and time deposits and 7 to 9.5 percent on borrowing.

The swing back to rial deposits has helped strengthen the local currency, and to a certain extent eased recurrent liquidity problems, most bankers say. With the rial maintaining its exchange rate against the surging dollar at 3.64, it has gained in strength against all other major currencies, including the Deutsche mark, the British pound, the French franc and the yen.

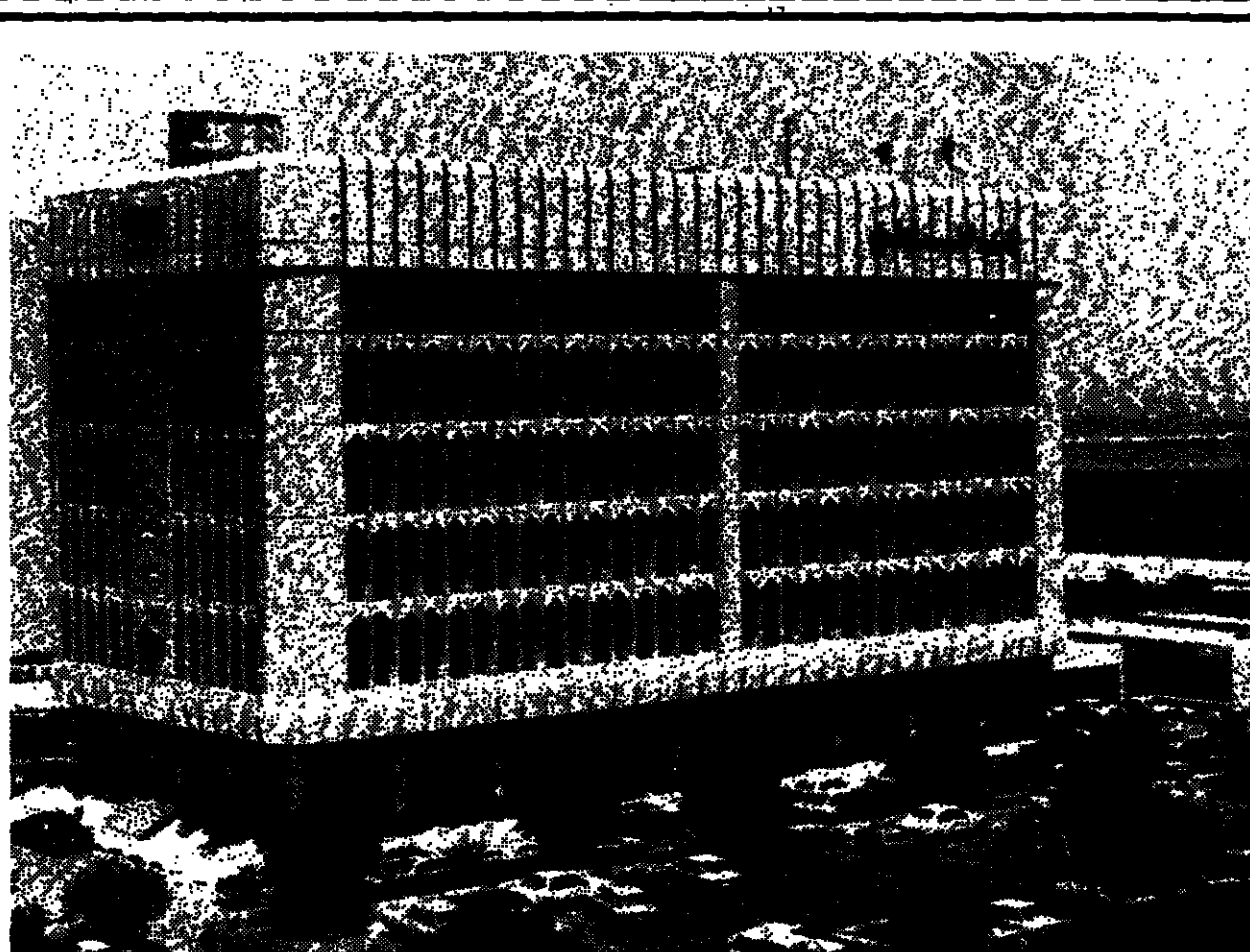
Most of Qatar's top bankers agree with Citibank's resident vice president, Matloob Khan, that "all of us have made less profits than last year." None of the bank's year-end reports have been issued yet, but Qatar Islamic Bank could be the only exception. Its report at the end of the last Muslim calendar year showed an outstanding performance for a bank that operated during its first six months, starting in mid-1983, with vacant top management positions. The general manager of Qatar Islamic, Qasim M. Qasim, who was appointed in January of last year, put the bank's assets at the beginning of this year at 462 million riyals. "We're growing at a rapid pace, and I am confident that by this year's end we should become at least No. 3 in terms of assets and profitability,"

he said. Although other banks feel that Qatar Islamic stepped in and took over a large share in an already crowded and shrinking market, Mr. Qasim stressed that "this is not a traditional bank that came to compete with the existing ones; we came to complement them and satisfy a need for Islamic banking."

Mr. Qasim said, however, that the interest-free bank has attracted from other banks puritan Muslim clients who refused to be paid fixed interest rates on their accounts. He also explained that there is pressure on Qatar Islamic, which is supposed to operate as an investment or merchant bank. The bank is in a dilemma, he said, because of the limited opportunities for investment in Qatar or the Islamic world. In addition, "my resources are short-term, so I cannot go for long-term opportunities," he said.

Qatar National Bank, the first bank to be established in the country, seemed certain to maintain the lead. Jawad Azzeh, the bank's adviser, said there are indicators that 1984 will be a better year for us. "I think there will be an increase in assets and profits." He said that part of the reason for QNB's strength is that "we get plenty of government business, and we have the support of the government," which owns half of the bank's shares.

—OLFAT TOHAMY



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A SPECIAL REPORT ON QATAR

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(Sofitel Hotel)
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Tel: 882077Oil Sector Adheres to Quotas,
Improves Marketing Strategy

DOHA — Qatar, a supporter of OPEC's attempts to restore order to the world's oil market, has curbed its tendency to produce above its assigned quota and has concentrated on improving its marketing.

Affirming his faith in the cartel's ability to survive and maintain a role in regulating the world market, Qatar's minister of finance and petroleum, Sheikh Abdel Aziz Khalifa al-Thani, said recently that "OPEC is strong although it is

Abdel Aziz emphasized that the country would respect the limits imposed by OPEC. "Qatar is producing the amount set at OPEC's last conference, and it is totally committed to its quota, although its maximum [production] capacity exceeds double that amount," he said.

Independent sources have confirmed that Qatar's production finally came into line with its quota during the last two months of 1984. Official figures for average month-

eries. Qatar's proven reserves would enable it to continue producing oil at the present rate for about 40 years.

Qatar General has had difficulties in coping with the glutted world market. This has resulted in barter agreements, as well as spot sales, which company officials reluctantly confirm. "There were barter deals made during 1983 and early last year, but now we're selling through contracts," said the deputy managing director, Sheikh Rashed Owaideh al-Thani.

The reduction of oil output, the new system of price differentials approved by OPEC and signs of a firming oil market could ease Qatar's marketing problems. And Qatar General will have to concern itself with marketing products, a new area it has entered recently. After the start of production at the new Umm Said refinery last September, Qatar put an end to product imports and added to its local needs a surplus production, which it has to export. The new refinery, with a capacity of 50,000 barrels a day, is expected to satisfy local demand for butane, premium and super gasoline, jet fuel, kerosene and diesel.

—OLFAT TOHAMY

Qatar's production has finally come
into line with its quota . . .

passing through a difficult phase." He is a member of the committee formed to monitor production levels' consistency with quotas agreed on at the Organization of Petroleum Exporting Countries plenary sessions. The minister, who recently has joined the group of staunch OPEC advocates including Saudi Arabia's oil minister, Sheikh Ahmed Zaki Yamani, and his Kuwaiti counterpart, Sheikh Ali al-Khalifa al-Sabah, believes that the cartel's crisis would be over sooner than Western observers expect if OPEC members closed ranks and respected the overall production ceiling aimed at balancing supply and demand in the market to prevent oil prices from sliding.

Qatar is the third-smallest OPEC producer, with a production quota reduced last October to 280,000 barrels a day as part of an overall lowering of the organization's production ceiling. Although this sharp cut would seriously affect Qatar's economy, which depends on oil exports for more than 90 percent of its revenues, Sheikh

ly crude output show that while its earlier quota was 300,000 barrels a day, Qatar was producing a little more than 300,000 barrels a day in June, and that the lowest monthly average was 290,000 barrels a day during March and April of last year.

Two-thirds of Qatar's present production comes from its onshore Dukhan field on the country's western coast facing the Arabian peninsula. The rest is produced by offshore fields in the Gulf to the east of the country. These are Idd al-Shaqi, Maydan Mahzam and Bul Hanime, in addition to the Bunduq field located in the territorial waters of Qatar and the neighboring United Arab Emirates. Both countries share equally in the production revenues from the Bunduq field.

All exploration, production, marketing and distribution of Qatar's oil and gas output are carried out by Qatar General Petroleum Corp., which has been concentrating on improving the state of its old fields in the absence of new discov-

spending, the local private sector and the banks have begun to sense the end of the slowdown, which was marked by big cuts in imports and a lull in construction activity. Trade and construction account for two-thirds of local businessmen's interests and banks' domestic financing.

Unlike other Gulf states that seized the opportunity of the oil boom to invest in infrastructure projects, Qatar's power generation, desalination and telecommunications services are lagging behind development needs. The Al Wusail 1,500-megawatt power and desalination plant, for which bidding and rebidding took place last year, finally is taking off. Smaller construction projects, some of which have been rebid to cut the cost, have improved the morale of contractors. Moreover, a long-awaited classification of the country's more than 400 contractors is expected to improve the local firms' chances of involvement in different projects.

The most promising project offering relief from dependence on oil exports is the development of the huge natural gas reserves of the offshore North Field. With projects like the second phase of the univer-

sity and the expansion of the airport shelved, this project, with an estimated cost of more than \$6 billion spread over the next seven years, is likely to provide plenty of opportunities for local bankers and contractors. Although it remains unclear how the project will be financed, "the state could borrow from the local market," Mr. Azzeh said. The private sector is

looking for equipment-supplying contracts and construction work in the project involving the building of a liquefied natural gas plant. There are several signs that the development of the field is taking place on schedule and that contracts for the first phase of the project will be awarded soon. However, some hurdles will have to be overcome in the course of ongoing talks on the LNG plant.

Both Saudi Arabia and Kuwait have reduced flaring of associated gas substantially, and Kuwait's natural gas production increased a lot last year. Saudi Arabia is investing in a rapid development of non-

associated gas reserves. All natural gas exploration, production and marketing operations are carried out by Qatar General Petroleum Corp., but a new joint-venture subsidiary was formed last summer to carry out the second phase of the project. The subsidiary, Qatar Liquefied Natural Gas Co., known as Qaligas, groups British Petroleum and Compagnie Francaise des Petroles (CFP-Tot), with 75 percent of the company's shares each.

with Qatar General owning the remainder.

Qatar General has offered 15 percent of its share to another partner in return for a commitment to import half the LNG plant's planned output of six million metric tons. Preparations for this phase of the project began last spring during a visit by the ruler of Qatar, Sheikh Khalifa bin Hamad al-Thani, to the Far East, and two major Japanese trading firms have responded favorably to the offer. Japan is the world's largest — and also fastest growing — LNG consumer.

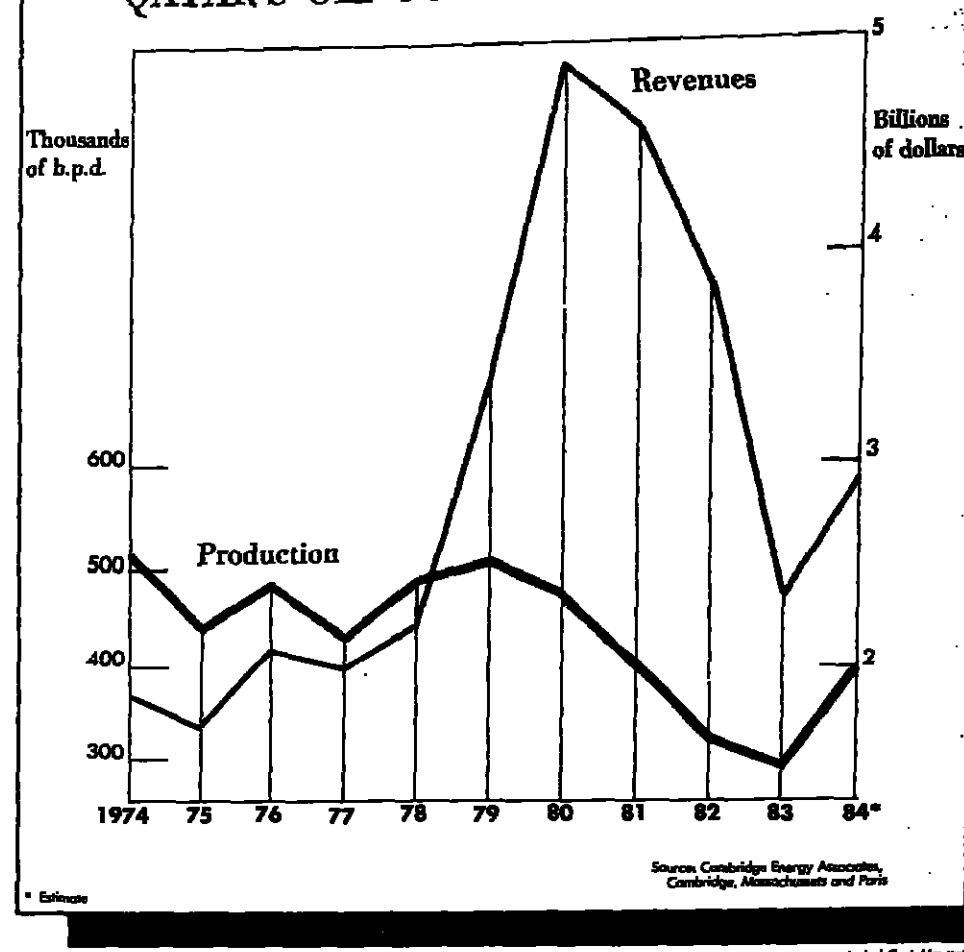
Marubeni Corp. and Mitsubishi Corp., heading a consortium grouping C. Itoh and Mitsui & Co., are negotiating with Qatar General on behalf of end-users in Japan. There are a few signs that Marubeni stands a better chance of reaching a deal with Qatar General, although the proposal it has made was for a 7.5-percent participation in the company, while its competitors insist on 15 percent of Qaligas. Marubeni has proposed to arrange for importing two million

tons of LNG every two years starting from 1992, said Sheikh Rashed Owaideh al-Thani, deputy managing director of Qatar General and a member of the Qaligas board. Marubeni exchanged letters of intent with Qatar General last winter. "We would like to know more in detail about their marketing arrangements, the timing and the quantity," Sheikh Rashed said, adding that there will be follow-up discussions with Marubeni.

He indicated Qatar General's insistence on a marketing commitment, saying "we need a commitment... A commitment is what we're missing." Mitsubishi is reluctant to make a commitment, as its representative at the talks, Shigeharu Matsumura, pointed out. "It is difficult for us to make such a commitment now because of the length of the commitment and the market conditions," he said. Mr. Matsumura also said that the corporation has suggested joining Qaligas first, then participating in arranging financing and marketing for the project.

—OLFAT TOHAMY

QATAR'S OIL OUTPUT AND REVENUES



Gas Project an Anchor in Fluctuating Oil Market

(Continued From Previous Page)

brought up at decision-making levels. Recent reports also suggest that the two prospective Gulf importers of North Field gas have begun finding ways of improving exploitation of their own resources.

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—OLFAT TOHAMY

Economy Is Moving Slowly Out of Recession

(Continued From Previous Page)

Bank's financial adviser, Jawad Azzeh. Pointing out the serious problem of liquidity shortages, he said: "You cannot exclude the possibility that at certain times of the year, when there are liquidity shortages, the state overdraws its accounts with the banks." He stressed, however, that this did not mean that the government has resorted to borrowing from the banking system inside or outside Qatar to finance the deficit.

It seems that apart from temporary overdraw of government accounts with the banks, the government has resorted to drawing on its reserves to cover the deficit. Qatar Monetary Agency reports show that government assets and reserves have remained stable over the last five years despite the ups and downs. But the agency's chairman, Majid al-Majid, said, "our statistics indicate that government reserves were used to make up for the drop in oil revenues, and it is possible that part of the government's reserves were withdrawn in 1984 to cover the deficit, as this is the only source of deficit-financing" used by the government.

In spite of the continuing under-

spending, the local private sector and the banks have begun to sense the end of the slowdown, which was marked by big cuts in imports and a lull in construction activity. Trade and construction account for two-thirds of local businessmen's interests and banks' domestic financing.

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Build
More

By: Toby O

LONDON — Since the 1970s Qatar has almost been recognized as a fishing village, once a modern capital and percent of Qatar's population.

Like other oil producers, Qatar has felt the pinch as world oil prices have weakened in the last three years. The construction boom has not escaped its fate. But after 12 months of production in the oil state's coffers are full, there is a new feeling of optimism. Just as after the slump in the oil market, it is now expected to be a spending. But it will not be on the same scale as the post-oil boom.

Some of the projects delayed as far back as 1974 are being bid for and construction is reasonably optimistic that they will go ahead. The power and desalination plant, 124 miles from Doha, was first bid in 1974, then a project to provide enough water for the expected growth up to 1986. The first project was a 100,000 sq. m. By headquarters was at the end of 1982 and the project was then fully positioned.

Contractors were mulling when the 1984-85 bid was announced in April 1985.

The W

LONDON — Posted on the Doha office of William Associates, a U.S. architectural firm, is a vision of Doha. The architect's plan shows a work of villas and plazas, walkways to a new core of the city — accommodation for about one-fifth of the 200,000 people.

The area is known as V

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Italy	Lire	218,000	108,000	59,000
Luxembourg	L.Fr.	7,300	3,650	2,000
Netherlands	Fl.	450	225	124
Norway	N. Kr.	1,180	590	320
Portugal	Esc.	11,200	5,600	3,080
Spain	Ptas	17,400	8,700	4,800
Sweden	S. Kr.	1,160	580	320
Switzerland	S. Fr.	372	186	102
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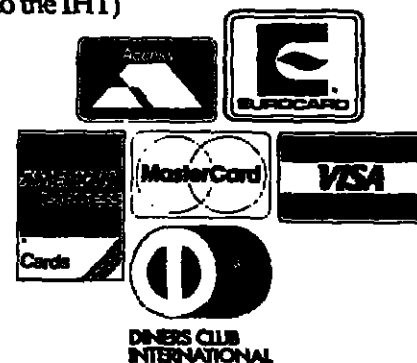
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City	Rate	Rate
Amsterdam	3.733	4.121
Berlin (West)	67.275	72.885
Frankfurt	3.348	3.639
London (Sterling)	1.2823	—
Paris	2.7750	2.9850
New York (Dollar)	—	1.0000
Porto	10.246	11.12
Tokyo	2.245	2.3714
Yokohama	2.245	2.3714
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Currency	Per U.S.
Australian \$	1.4877
Belgian franc	23.36
British pound	0.7937
Canadian \$	1.37
Deutsche mark	3.3756
French franc	6.5596
Italian lire	1.936
Japanese yen	163.89
Swiss franc	2.00

Source: Reuters. 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TECHNOLOGY

Eastman Kodak Creates Desk-Top Blood Analyzer

By ERIC N. BERG

New York Times Service

NEW YORK — Anyone who has undergone a battery of blood tests knows how unpleasant the experience can be. For one thing, it can be painful. For another, mix-ups sometimes occur when samples are sent to laboratories. And patients often wait days for results. Now, scientists at Eastman Kodak Co. have created a device that may ease some of these problems.

They have come up with a desk-top blood analyzer. This new machine, which costs around \$7,000 and is about the size of a typewriter, enables a doctor to analyze blood in his own office in minutes. And since the new device requires only a drop of blood from a patient's finger, it could alleviate what for many people is the hardest part about giving blood—having a needle stuck into a vein.

"What we're talking about is getting results on six or seven blood tests within 15 minutes of drawing a blood sample," said Michael C. Saunders, the general manager of marketing for the new blood analyzer, called the Kodak Ektachem DT60.

For years, doctors have been able to analyze blood in their offices. They typically did this by combining blood samples with chemicals they would mix up in large batches. They then would analyze the results by comparing the color of the solution with that of blood associated with various body conditions. The whole process, however, was considered messy, time consuming and inexact. As a result, most doctors long ago began sending blood samples out to private laboratories.

NOW Kodak is trying to bring blood analysis back to the doctor's office. It says its desk-top blood analyzer is highly accurate, and can perform most blood tests a doctor would require, including tests for excessive sugar, cholesterol or potassium. Most important, Kodak says its new device is simple to use and easy to use, even by a medical technologist with no training in the field of blood analysis.

The machine uses a technology almost identical to Kodak's instant photography. The company uses plastic slide frames, inside of which are postage-stamp-sized pieces of photographic film. The film, in turn, has been coated with dried medical chemicals—much like instant photographic film is coated with photographic chemicals.

To analyze blood, a physician inserts a coated slide into an opening in the Ektachem machine. Then, using an eyedropper, the physician places a small amount of a blood sample onto the slide through a hole in the top of the machine.

That sets off a chemical reaction. Much like a ray of light causes the chemicals on instant-photography paper to begin creating an image, the blood on the slide causes the chemicals to change color. The slide moves along a tiny conveyor belt to an "incubator" area, where the chemical reaction is completed. From there, light-sensing devices read the color of the spent chemicals, and a tiny computer in the machine converts the reading to paper. The physician ends up with a printout of the machine's findings that resembles a long cash-register receipt.

"Basically, all of the chemicals—and all of the quality control—are encapsulated right in that slide," Mr. Saunders said.

Kodak hopes to sell the new machine to individual practitioners and smaller medical offices—those with 14 or fewer doctors who most often work with outside blood labs. In addition to giving them quicker test results than they could get from a lab, Mr. Saunders says, the miniature blood machine should also yield big profits for doctors. The slides cost about \$1.50, and doctors charge around \$15 per test, he notes. That should enable physicians to quickly recoup the machine's \$7,000 price tag, he estimates.

Currency Rates

Official fixings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates at 4 P.M.

	\$	DM	FF	£	Yen	S.F.	Yen
Amsterdam	3.75	4.12	112.34	27.0	160.0	163.26	163.26
Brussels	37.75	41.2	112.34	27.0	160.0	163.26	163.26
Frankfurt	3.75	4.12	112.34	27.0	160.0	163.26	163.26
London (1)	1.00	1.33	3.36	1.00	160.0	163.26	163.26
Milan	2,075.00	2,250.00	5,940.00	141.00	8,640.00	8,640.00	8,640.00
New York	1.00	1.33	3.36	1.00	160.0	163.26	163.26
Paris	10.36	11.33	29.61	7.46	460.0	460.0	460.0
Tokyo	264.50	285.27	73.54	22.5	1,320.0	1,320.0	1,320.0
Zurich	3.75	4.12	112.34	27.0	160.0	163.26	163.26
1 SDR	0.50674	0.55053	1.4121	0.3756	23.76	23.76	23.76
1 SDR	0.50674	0.55053	1.4121	0.3756	23.76	23.76	23.76

Interest Rates

Feb. 21

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00
100% - 100%	8.00	8.00	8.00	8.00	8.00	8.00	8.00

Source: Reuters.

Key Money Rates

United States

Discount Rate 5 1/2%

Federal Funds 8 1/4%

Prime Rate 10 1/4%

Broker Loan Rate 9 1/4%

Call Money 8 1/4%

3-month Treasury Bills 8 1/4%

6-month Treasury Bills 8 1/4%

1-year Treasury Bills 8 1/4%

2-year Treasury Bills 8 1/4%

3-year Treasury Bills 8 1/4%

5-year Treasury Bills 8 1/4%

10-year Treasury Bills 8 1/4%

Source: Reuters.

West Germany

Overnight Rate 6.00%

One Month Interbank 6.00%

Three Month Interbank 6.00%

Six Month Interbank 6.00%

One Year Interbank 6.00%

Source: Reuters.

France

Overnight Rate 10 1/2%

One Month Interbank 10 1/2%

Three Month Interbank 10 1/2%

Six Month Interbank 10 1/2%

One Year Interbank 10 1/2%

Source: Reuters.

Markets Closed

All markets were closed Thursday in Hong Kong, Singapore, Malaysia and Taiwan because of the Chinese New Year holiday.

Sprinkel To Head Council

Economic Panel To Be Revived

The Associated Press

WASHINGTON — President Ronald Reagan nominated Treasury Undersecretary Beryl Sprinkel on Thursday to head the Council of Economic Advisors, a panel he once considered abolishing.

The White House spokesman, Larry M. Speakes, said Mr. Reagan would quickly fill two other vacancies on the panel and increase its professional staff in an effort to revitalize it.

"The president wishes to get the CEA at full strength in order that he can rely on them through cabinet councils and through other special economic groups," he said.

Mr. Sprinkel, 61, would succeed Martin S. Feldstein, who resigned last July to return to teaching at Harvard University. The Senate must confirm the choice.

At the Treasury Department, Mr. Sprinkel has been responsible for formulating and implementing U.S. international monetary policy, overseeing Treasury involvement with international lending institutions, financing and managing the federal debt, and coordinating the administration's relationship with the Federal Reserve Board.

Despite talk of strengthening the council, Mr. Speakes made clear that Treasury Secretary James A. Baker III would be Mr. Reagan's chief economic spokesman.

Mr. Speakes also said that Treasury officials indicated they planned to "reconfigure" Mr. Sprinkel's post at Treasury.

The departure of Mr. Feldstein, who often angered fellow White House officials with warnings about the negative effects of federal budget deficits, left William A. Niskanen Jr. as the remaining member on the three-person panel.

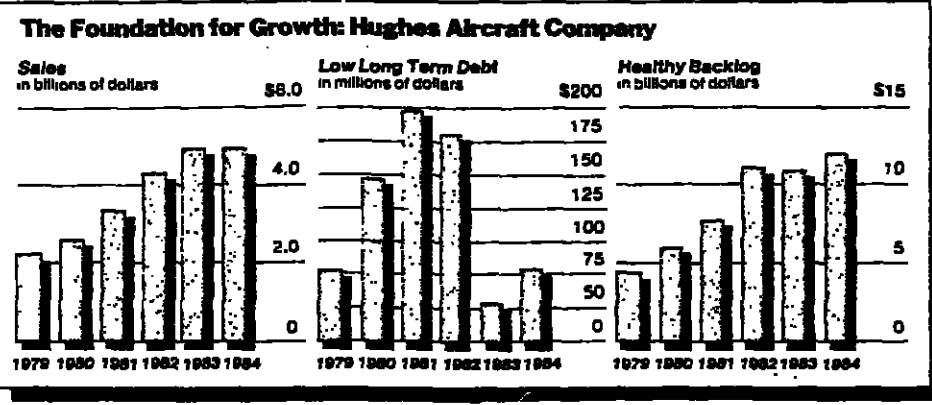
William Poole, another council member, returned to Brown University earlier this year.

Mr. Niskanen, who has been acting as chairman, but without the title, previously said he would leave if he was not appointed chairman.

The stature of the economic advisory panel has withered during the Reagan administration.

"It had really fallen into disuse," Mr. Speakes acknowledged.

But in January, the president apparently decided to retain the council after senior aides had recommended that it not be scrapped.



What Price for Hughes Aircraft Co.? Some Recent Setbacks Muddy Issue

By Thomas C. Hayes

New York Times Service

LOS ANGELES — When the Pentagon halted payments to Hughes Aircraft Co. on several of its faltering missile and radar programs last summer, Hughes suffered a jolt to its reputation as a top-notch military supplier.

The financial impact was jarring, too: Hughes Aircraft's sales for 1984 were flat. Instead of the 20-percent sales gain many analysts were expecting, the huge aerospace company failed to improve on 1983's \$4.9 billion, according to figures obtained from the company last week.

Moreover, its earnings were pared "a lot," Donald H. White, president of Hughes, said, although he declined to be specific.

Costs piled up during the six months it took to put missile and radar production back on track. These setbacks came at an awkward time for the company that built the lunar landing module: Hughes Aircraft, the second-largest privately owned U.S. company, is on the auction block.

Despite its recent troubles, aerospace analysts

and company insiders agree that Hughes may attract bids of \$5 billion or more.

A price above the \$5.1 billion paid for Southern Pacific Co. by Santa Fe Industries last year would mean the biggest acquisition ever made outside the oil industry, according to W.T. Grimm & Co., a research concern.

Such a sum would also give Hughes Aircraft's present owner, the Howard Hughes Medical Institute of Miami, the potential for the largest diversified endowment of any of the Ford Foundation, which stood at \$3.5 billion last year.

General Motors Corp., General Electric Co. and Boeing Co. are the most likely bidders for Hughes, according to analysts.

All are rich with cash and large enough to pay the price. All three companies declined to say if they are looking at Hughes.

Morgan Stanley & Co., the investment banker hired by the medical institute's trustees to manage the sale, has not yet reported to them on any

(Continued on Page 19, Col. 7)

Japan Is Cautious on U.S. Auto Move

United Press International

TOKYO — Japanese officials reacted cautiously Thursday to reports that the Reagan administration will allow the expiration of "voluntary" restraints limiting Japanese auto exports to the United States.

The reports prompted few public comments as Japanese government officials prepared for the end of the quota program while hoping to forestall U.S. protectionist pressures or demands for trade concessions in other areas.

"We will handle this matter very carefully, but our position has not been decided," said an official of the Ministry of International Trade and Industry. The move comes as Japanese government officials are facing renewed U.S. pressure for trade concessions after a U.S.-Japan trade deficit last year of \$34 billion.

Spokesmen for Japan's major automakers also deflected official comment pending formal announcements from Washington, although some company officials restated the industry position that the quotas are no longer needed.

One industry source said that the trade ministry had begun surveying Japanese automakers on future export intentions and had discussed methods of containing an auto export surge that could trigger a protectionist backlash.

Reports from Washington Wednesday said President Ronald

Reagan's Cabinet Council on Commerce and Trade agreed that the decision to extend the export quotas for a fifth year should be left to the Japanese. The recommendation was described as a tacit decision to allow the export curbs to lapse on March 31.

Exports Seen Rising

Trade Representative William E. Brock told the Joint Economic Committee on Wednesday that Japan's auto exports to the United States would rise by 750,000 cars a year if quotas are lifted, The Washington Post reported.

Chevron Plans Sale of Italy Unit To Arab Group

United Press International

SAN FRANCISCO — Chevron Corp. said Thursday it is close to concluding the sale of its Italian refining and marketing operations to First Arabian Corp., largely controlled by Saudi Arabian and Kuwaiti businessmen.

The sale would accelerate a trend in which the major U.S.-based oil companies have either closed or sold their downstream refining and marketing operations to Middle Eastern interests.

Saudi Arabia, Kuwait and other Middle East members of the Organization of Petroleum Exporting Countries have been building up their refining capacity to export petroleum products to the West in a bid to offset a sharp decline in crude oil sales.

The San Francisco-based Chevron said basic agreement had been reached with First Arabian on the sale of its Chevron Oil Italiana interests in two refineries, a huge oil blending plant, and approximately 1,700 service stations in Italy. Terms were not disclosed.

First Arabian, a Luxembourg-based banking and investment concern founded in 1974, acquired Standard Oil of Indiana's Italian refining and marketing operations for \$275 million in 1983.

A sale by Chevron would follow a decision earlier this month by the U.S. Interior Department to reverse a two-year-old ruling by the former Secretary, James G. Watt, that would make Kuwait eligible to acquire mineral leases on federal lands.

In recent years Texaco Inc., Gulf Oil Corp. and other major U.S. oil companies have sold their European refining and marketing operations.

Chevron already has withdrawn from refining and marketing activities in northwest Europe and Gulf sold its operations in Northwest Europe and Italy to Kuwait Petroleum Corp. in 1983 and 1984.

Roger E. Tanazari is chairman of First Arabian, whose shareholders are mostly influential Saudi and Kuwaiti businessmen, according to David Mizrahi, editor of the New York-based Mideast Report news-

letter. Abdul Hadi Taher, the head of the Saudi state-owned oil company Petromin, is a stockholder in First Arabian's subsidiary, Arabian Secon Co.

First Arabian was unsuccessful, however, in attempts to buy the Commonwealth Oil refinery in Puerto Rico and the Come-by-Chance refinery in Newfoundland.

Chevron said the agreement now being finalized calls for First Arabian to accept full responsibility for all Chevron Oil Italiana employees on the payroll on the date of sale "in existing or comparable positions" and to retain the company's headquarters in Rome.

Chevron Oil Italiana has a 24-percent interest in the 215,000 barrel-a-day Sarpom refinery near Milan, a 22-percent stake in an 87,500 barrel-a-day refinery in a huge oil blending plant in Savona and about 1,700 service stations.

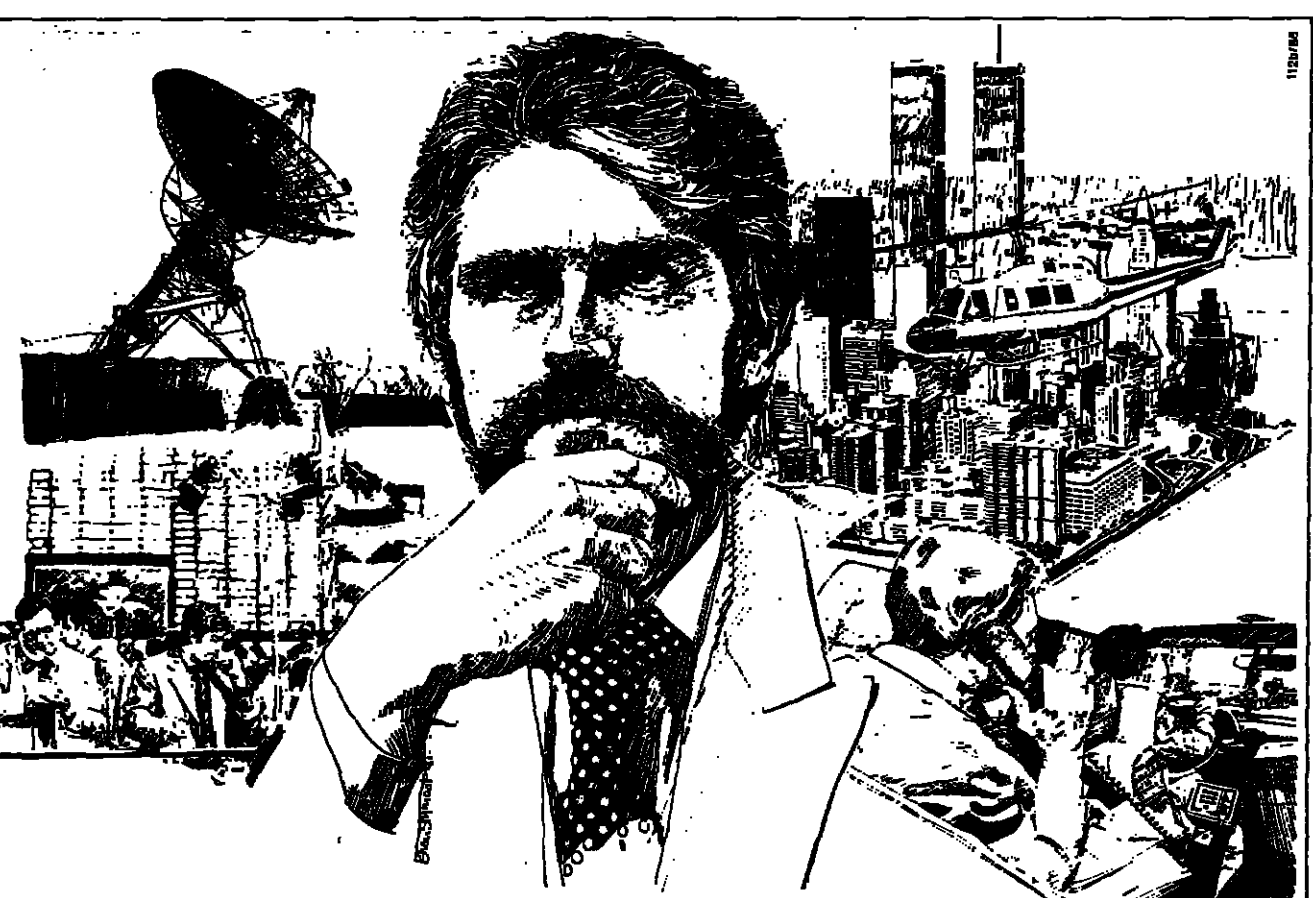
Toshiba Plans French Venture

Reuters

PARIS — Toshiba Corp., the Japanese electronics group, said it would introduce two new IBM-compatible personal computers in France in a bid to weaken U.S. domination of the market.

Claude Skalli, director of Toshiba Informatique France, said in a statement the group aimed rapidly to capture 10 percent of the market with the two new models, Papman and Pap-C. "The French market represents 120,000 computers and has an annual growth rate of 45 percent. It is dominated at the moment by American manufacturers," Mr. Skalli said.

In Tokyo, Toshiba said Thursday it planned to spend 20 billion yen (\$767 billion) setting up a new 14-story electronic engineering center in Kawasaki, where most of its laboratories are located, to improve semiconductor design.



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Trade Development Bank

Shown at left, the head office of Trade Development Bank, Geneva.

An American Express Company

NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
300,000	100.00	99.00	99.00	+0.00	IBM
250,000	100.00	99.00	99.00	+0.00	IBM
200,000	100.00	99.00	99.00	+0.00	IBM
150,000	100.00	99.00	99.00	+0.00	IBM
100,000	100.00	99.00	99.00	+0.00	IBM
50,000	100.00	99.00	99.00	+0.00	IBM
25,000	100.00	99.00	99.00	+0.00	IBM
12,500	100.00	99.00	99.00	+0.00	IBM
6,250	100.00	99.00	99.00	+0.00	IBM
3,125	100.00	99.00	99.00	+0.00	IBM

Dow Jones Averages					
Open	High	Low	Last	Chg.	
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Indus.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Transp.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Comp.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Fin.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Health
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Energy

NYSE Index					
High	Low	Close	Chg.		
1,287.19	1,272.44	1,277.44	-4.99	NYSE	
1,287.19	1,272.44	1,277.44	-4.99	NYSE	
1,287.19	1,272.44	1,277.44	-4.99	NYSE	
1,287.19	1,272.44	1,277.44	-4.99	NYSE	
1,287.19	1,272.44	1,277.44	-4.99	NYSE	

NYSE Closing					
Vol.	High	Low	Last	Chg.	
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	NYSE
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	NYSE
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	NYSE
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	NYSE
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	NYSE

AMEX Diaries					
Class	Prev.	Chg.			
Advanced	1,280.17	1,287.19	1,272.44	1,277.44	-4.99
Declined	1,280.17	1,287.19	1,272.44	1,277.44	-4.99
Unchanged	1,280.17	1,287.19	1,272.44	1,277.44	-4.99
Volume	1,280.17	1,287.19	1,272.44	1,277.44	-4.99
Volume down	1,280.17	1,287.19	1,272.44	1,277.44	-4.99

NASDAQ Index					
Close	Chg.	Week	Year		
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Indus.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Transp.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Comp.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Fin.
1,280.17	1,287.19	1,272.44	1,277.44	-4.99	Health

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
300,000	100.00	99.00	99.00	+0.00	IBM
250,000	100.00	99.00	99.00	+0.00	IBM
200,000	100.00	99.00	99.00	+0.00	IBM
150,000	100.00	99.00	99.00	+0.00	IBM
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12,500	100.00	99.00	99.00	+0.00	IBM
6,250	100.00	99.00	99.00	+0.00	IBM
3,125	100.00	99.00	99.00	+0.00	IBM

NYSE Index Drops Slightly

NEW YORK — The New York Stock Exchange gained 2.54 Wednesday, fell 4.09 to 1,279.04. The NYSE index dropped 0.60 to 104.51 and the price of an average share decreased 19 cents. Standard & Poor's 500-stock index fell 0.99 to 180.19. Declines topped advances 1,041-506 among the 2,028 issues traded at 4 P.M. EST.

Big Board volume totaled 104,020,000 shares, down from 118,210,000 traded Wednesday. Before the stock market opened, the Commerce Department reported the economy grew at a 4.9-percent annual rate in the fourth quarter of 1984. Previously, the department had calculated the GNP increase at 3.9 percent.

The revised GNP figure reflected better trade balances than were used in the previous calculation. The latest boost in the fourth-quarter figure resulted in a change in the GNP increase for all of 1984 to 6.9 percent instead of 6.8 percent.

Both the stock market and the bond market have been nervous since the Federal Reserve Board chairman, Paul A. Volcker, testified at a Senate committee Wednesday that the easing of credit conditions had ended. He added that the current stance did not amount to a tightening of policy.

Monte Gordon of Dreyfus Corp. said that the "unexpectedly strong revised figure for fourth quarter GNP" combined with the Volcker remarks one day earlier had the effect of "unsettling the nerves."

Money Supply Higher

NEW YORK — The nation's basic money supply rose \$2.2 billion in mid-February, the Federal Reserve Board reported Thursday. The Fed said M1, which includes cash in circulation, deposits in checking-type accounts at banking institutions and nonbank travelers checks, rose to a seasonally adjusted average of \$567.4 billion in the week ended Feb. 11 from a revised \$565.2 billion the previous week.

Mr. Gordon said an economy that is expanding too quickly carries risks and that Mr. Volcker "left open the option of tightening credit, although no one expects him to."

Low Smith of Bear, Stearns & Co. said that an unsuccessful rally attempt Wednesday followed by Thursday's downturn "shows that the great upward drive that occurred for six weeks has withered and the market is in a settling-back phase."

He said the dip is normal but investors who "paid too dollar to get into the market are getting uncomfortable and that may lead to liquidation."

U.S. Trust Co. raised its broker loan rate to 9.5 percent from 9.25 percent Thursday. After the stock market closed, the Federal Reserve reported the M-1 money supply measure increased \$2.2 billion in the week ended Feb. 11.

The composite volume of NYSE-listed issues on all U.S. exchanges and over the counter at 4 P.M. totaled 123,324,500 shares, down from 140,785,900 Wednesday.

90% RIGHT; 800% PROFITS

A sociologist has noted that in "becoming part of the 'Crowd', the individual feels accepted; the irony being that acceptance can diminish opportunity." The human connection is imperative, but it can be distorted by "Elitists," pre-conditioned to capitalize on the timidity of the "Crowd," a "Crowd" craving leadership. On the "Street," communication is "overkill." Each day, an analyst somewhere, is preparing a buy, sell or hold recommendation on one of the 2,353 stocks on the NYSE, or the 4782 equities traded under NASDAQ auspices. How can an investor communicate?

Perhaps the "random walk" theory makes sense. The concept that the random behavior of particles was paralleled by the price behavior of stocks was formulated in 1900 by a French mathematician, Louis Bachelier.

His studies were rediscovered by researchers around 1960 and tested in a succession of statistical projects. The evidence shattered the claims of "chartists," "technical analysts" — concerning a system of forecasting stock levels on the basis of past patterns.

There are few free lunches on the "Street"; an investor has to sniff scores of reports before ingesting a "three-star" security, a share that the average chap cannot handle, for he cannot communicate with "Elitists," with "Sponsors," who buy wholesale, ultimately retelling their inventories to the "Crowd" at premium prices. The laws of supply and demand on the "Street" are legislated by "Elitists," they create demand, they manufacture the "paper," the stock.

Our success is not predicated upon a crystal ball; we trace the pinpoints of the "Establishment," focusing upon securities that offer dramatic gain, down-playing entities with limited leverage. In stressing that approximately 90% of equities recommended by C.G.R. subsequently advanced, and that 92% of our carefully honed "short sales" have sagged, we are not seeking plaudits, we merely want readers to mold prevailing opinion. Our forthcoming letter highlights securities that appear under massive "Elitist" accumulation. In addition, our researchers recommend two low-priced entities with the dynamics to mature, emulating a previously reviewed "special situation" that spiraled 800% in a brief time span.

For your complimentary copy, please write to or telephone...

CAPITAL GAINS RESEARCH

F.P.S. Financial Planning Services by
Kalkersstraat 112,
1012 PK Amsterdam, The Netherlands
Phone: (020) - 27 51 81
Telex 18536

Name: _____
Address: _____
Phone: _____

Past performance does not guarantee future results

NYSE Most Actives					
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6,250	100.00	99.00	99.00	+0.00	IBM
3,125	100.00	99.00	99.00	+0.00	IBM

BUSINESS

Please 20% I

By Bob H.

Kukje Is Says Lead

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BUSINESS ROUNDUP

Plessey Says Its Net Fell 20% During 3d Quarter

By Bob Hagerty
International Herald Tribune

LONDON — Plessey Co. reported Thursday its second consecutive decline in quarterly profit and again blamed heavy spending on research and development.

The electronics company said profit in the third quarter ended Dec. 28 slipped 7 percent from a year earlier to £40.6 million (\$44 million). Sales grew 16 percent to £352.2 million. Net slumped 20 percent to £21.7 million, or 2.95 pence a share.

For the nine months ended Dec. 28, the company reported a pre-tax profit of £121.2 million, down 2.7 percent, on sales of £971.4 million, an increase of 9 percent. Net declined 9.6 percent to £70.6 million, or 9.58 pence a share.

Plessey shares jumped 16 pence to close at 192 pence on the London Stock Exchange. "It's not as bad as it appeared," said John Tyndal, an analyst at Griverson, Grant & Co., who predicted full-year pre-tax profit about equal to last year's £176.1 million and a rise of nearly 15 percent next year.

Peter Marshall, finance director, emphasized that the company is in

an "investment mode," largely aimed at increasing long-term prospects for overseas sales of digital telephone equipment and customized microchips.

Mr. Marshall said Plessey had a loss of about £4.3 million in the latest nine months on its production of System X, the digital telephone exchange being sold to British Telecommunications PLC. He called the deficit "perfectly normal" at this stage of the long-term supply program.

Plessey's U.S.-based Stromberg-Carlson unit, acquired in 1982, also remains in the red and is not expected to show a profit next year. Plessey is adapting Stromberg's exchange equipment in an attempt to win orders from the regional U.S. phone companies and adding products to the U.S. unit's range.

The company also continues to suffer from lower profit from exports of tactical radio equipment, but radar sales recovered strongly in the latest quarter.

Plessey reported sharply higher profit from its microelectronics business, whose exports to the United States were helped by the pound's weakness.

Pilots Propose Employees Buy Ailing Pan Am

The Associated Press

MIAMI — Pan American World Airways pilots have announced a proposal to buy the financially troubled carrier after labor negotiations between the company and their union broke down.

The pilots' union said Wednesday that it would present a proposal for a leveraged employee buyout to the Pan Am Joint Labor Council, which includes representatives from all the carrier's unions.

Under the proposal, the airline's 26,000 employees would pay \$500 million for 51 percent of Pan Am's stock. The plan would be financed by payroll deductions of 10 percent to 13 percent over the next five years.

The airline's parent company, Pan Am Corp., has not made a profit since 1982, and lost \$206.8 million last year.

In New York, a Pan Am spokesman, Jeffrey Kriender, said he had not heard of the buyout plan and could not comment on it.

Phillips Holders Face Choice

The Associated Press

BARTLESVILLE, Oklahoma — Shareholders of Phillips Petroleum Co. meet Friday to decide whether to approve a company-backed recapitalization plan or side with Carl C. Icahn, a New York investor who wants the plan defeated so he can proceed with his \$8.06 billion bid to acquire Phillips.

The meeting at the oil company's headquarters here could last from several minutes to several hours, Phillips officials said Thursday. "We've never been through one like this before," said a company spokesman.

Phillips has 154.6 million shares of common stock outstanding; passage of the plan requires the support of more than 50 percent of the stock, or 78.8 million shares.

Among other things, the plan would restructure the amount of stock and debt on Phillips' balance sheet and significantly raise the number of Phillips shares owned by its employees.

For that reason, the plan would severely hamper an unwelcome takeover offer because the employees could use their stake to oppose such a bid.

The recapitalization plan is part of Phillips' agreement with an investor group led by T. Boone Pickens Jr., chairman of Mesa Petroleum Co., to end the group's takeover bid for Phillips launched in early December.

The Mesa group is obligated by the agreement to vote its block of 8.9 million Phillips shares in support of the Phillips recapitalization plan.

PBS Plans to Air Financial Services

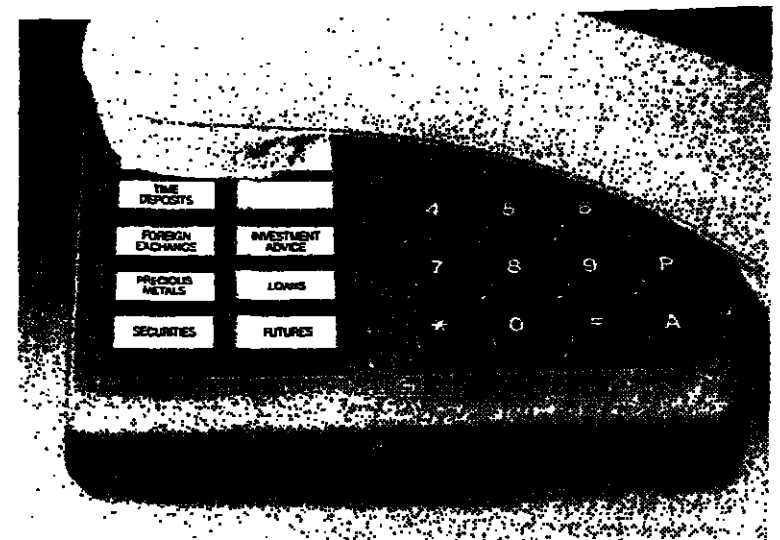
The Associated Press

WASHINGTON — The Public Broadcasting Service, battling severe cuts in federal aid, has said that it plans to broadcast stock quotations and financial news to subscribers with personal computers in hopes of generating millions of dollars in new annual revenues.

A joint venture of International Business Machines Corp. and Merrill Lynch & Co. have signed on as a major customer of the new subsidiary, PBS Enterprises. PBS officials said Wednesday.

The IBM-Merrill Lynch joint venture, known as International MarketNet, plans to deliver stock market and business news over a portion of the PBS video signal that cannot be seen without a special decoder.

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Kukje Is to Be Restructured, Says Leading Korean Lender

Reuters

SEOUL — Kukje of South Korea and its subsidiaries will be restructured due to the group's financial difficulties, Kukje's leading creditor, First Bank of Korea, said Thursday.

A bank spokesman said creditors have decided to sell three major subsidiaries to other companies and appoint their own managers to the remaining units. Terms have not yet been settled.

Kukje-ICC Corp. will be divided into construction, footwear and trading sectors. Kuk Dong Construction Co. will take over the construction sector. Hanil Synthetic Fiber Industrial Co. will take charge of most of the remaining sectors.

Union Steel Manufacturing Co. and Kukje Machinery Co., two other leading subsidiaries of the group, will be absorbed by Dongkuk Steel Mill Co.

Kukje Group sales totaled 1.791 trillion won (\$308.44 billion) in 1984, the spokesman said. He gave no figures for 1985.

Kukje-ICC Corp. has \$470 million worth of overseas construction contracts to be completed.

The Korea Stock Exchange said it has suspended trading in three listed group companies — Kukje-ICC Corp., Union Steel Manufacturing Co. and Woonpoong Industrial Co.

Stock market prices closed generally lower after the restructuring plans for Kukje were disclosed. The composite index lost 1.22 points from Tuesday to close at 133.65 Thursday. The market was closed Wednesday for a public holiday.

Brokers said the market was overshadowed by fears that similar measures might be taken against other financially troubled companies.

COMPANY NOTES

AEG-Telefunken AG and MDS Mannesmann Demag Sack GmbH, have won an order worth 45 million Deutsche marks (\$13.55 million) from the China National Technical Import Corp. in Beijing for the modernization of a hot strip mill at a Chinese steel plant, AEG said.

Canadian Marconi Co., which is controlled by General Electric Co. of Britain, said it reached an agreement in principle to buy the telecommunications division of Philips Electronics Ltd. of Scarborough, Ontario.

Centex Corp. said it had acquired the privately held Allied American Gypsum Co. of Albuquerque, New Mexico, for undisclosed terms. The company will be renamed Centex American Gypsum Co.

20th-Century Fox Film Corp. has launched a review of its film unit's

accounting of theatrical revenues under the studio's previous management. Barry Diller, Fox's chairman, said that during an internal audit revenues from a hit 1982 movie, "The Verdict," were credited to the film "Monsieur."

Carbolco, the Colombian state coal firm, said it has sent the first 35,000-ton shipment of coal from its El Cerrejon mine to Denmark. Carbolco is aiming for an output of three million tons this year.

Goodman Group Ltd. said it will continue buying shares in Australia's Allied Mills Ltd. up to the Australian takeover code's 14.9 percent limit for foreign companies. The company said Goodman had acquired 11.05 percent of Allied's issued capital of 104 million shares.

Greyhound Corp. of Phoenix said that it has agreed to buy the con-

sumer products division of Purex Industries Inc. for \$264 million. Purex is a privately held company based in Lakewood, California. Greyhound operates a bus system and manufactures food products.

Life Savers Australia Ltd., the confectionery group, said it was recommending that shareholders accept an increased takeover bid from Raleigh Nutritional Products Ltd., a unit of Nestlé SA.

Lockheed Corp. announced that it and Singer Co. are opening a \$12-million Hercules flight training center in Marietta, Georgia. Lockheed builds Hercules aircraft and Singer builds flight-simulation centers.

Rockwell International Corp. said it has completed the previously announced acquisition of Allen-Bradley Co. for \$1.65 billion in cash.

Harris Division to Buy Part of Exxon Office Unit

Reuters

NEW YORK — Lanier Business Products, a division of Harris Corp., the U.S. computer company, has agreed to acquire certain assets of Exxon Office Systems Co., it was announced Thursday.

Terms were not disclosed, but Exxon Enterprises, a division of Exxon Corp., the U.S. oil concern, said Lanier will acquire the rental office systems.

Amexco, CGE Join on Fund

Reuters

PARIS — Compagnie Générale d'Electricité, France's state-owned communications group, said it has joined forces with Shearson Leh-

man/American Express Inc. of the United States to provide joint-venture capital to help CGE's growing high-technology business.

The fund will include other French and U.S. investors, a spokeswoman for the French state-owned concern said Thursday. Georges Pebeure, the chairman of CGE, said his company would put up \$60 million and Shearson/American Express, \$100 million.

The fund will be co-managed by the CGE and American Express.

According to the spokeswoman, the French investors would include a number of other industrial groups led by CGE, and several French banks and financial institutions led by state-owned Crédit Lyonnais.

She did not have details of the American investors other than Shearson/American Express but an American Express spokesman in New York said that Shearson Lehman would take a \$5-million stake in the new fund. The fund will co-invest with another venture capital fund that was recently set up in the United States with about \$100 million in capital.

Time Inc. to Buy Magazine Group

Reuters

NEW YORK — Time Inc. said Thursday that it agreed to buy privately-held Southern Progress Corp., which publishes Southern Living Magazine, for \$395 million in cash plus \$85 million in cash, cash equivalents and certain current assets.

Southern Living Magazine has a monthly circulation of 2.3 million readers and earned revenues of \$165 million in 1984.

Time said Emory Cunningham, Southern Progress's chief executive officer, and the staff of Southern Living, will continue to run the magazine.

STOCK	BID	ASK
DeVoe-Holbein International	5	6
City-Clock International	2 1/4	3 1/4
Quoted as of Feb. 21, 1985		

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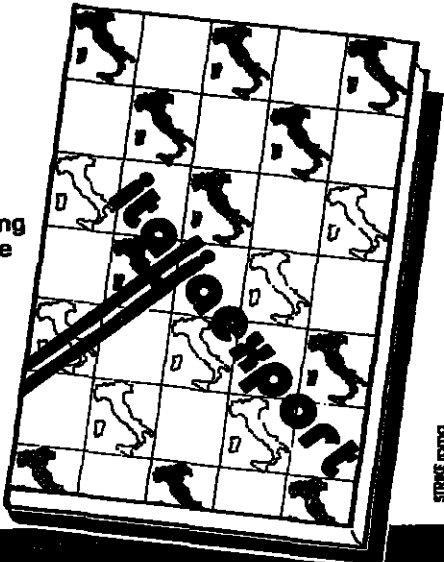
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SPORTS

Chitalada Retains Flyweight Title

LONDON — The victory for Chitalada, 22, took his record to 22 triumphs in 23 fights. Magri is 29-4.

Edward Thangarajah, a Bangkok journalist who helped revive Queensbury rules of boxing in Thailand, where kick-boxing is popular, had the check, money and credit cards in his wallet when he joined Chitalada's procession to the ring.

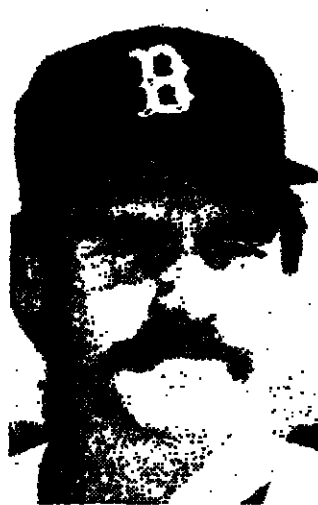
"I was in the champion's dressing room before the fight helping him dress" and went out with him toward the ring, Thangarajah said. The spotlight was on Chitalada, but I fell behind in the surge of the crowd and suddenly I felt somebody pulling at my right hip pocket. I then gave chase to the man. He clambered across a row of seats and forced his way out of a side door,

but I was too slow and lost track of him."

The theft was immediately reported to the police and to the fight's promoter, Frank Warren, who was to refund the check before Chitalada's party left for home Friday.

Thangarajah said he was going to use the money to take his 80-year-old mother on a trip to Lourdes, France, from her home in southern England.

The theft was the second of its kind at recent title fights in Britain. When Colin Jones fought Don Curry of the United States for the world welterweight title in Birmingham last month, several members of Jones's group had their wallets stolen as they were buffeted en route to the ring.



Wade Boggs



Alvin Davis



Kent Hrbek



Juan Samuel



Ryne Sandberg

Baseball: The Dreams and Despairs Spring Eternal

By Thomas Boswell

WASHINGTON — If the perfect preamble to baseball spring training could be concocted, what would it entail?

What would have to happen to get us even more excited than usual at the prospect of pitchers and catchers reporting to Florida and Arizona this week?

For starters, it would be great if the off-season had been filled with big trades and the stunning signing of free agents. Teams that were a little too good last year would have to be taken down a notch, while clubs on the rise or those making a comeback would have to be helped.

We would want the New York teams, the Mets and the Yankees, to come up with new stars, such as Gary Carter and Ricky Henderson.

Of course, we'd also get delight out of seeing some perennial near-miss teams acquire the missing links they needed. Such as the Atlanta Braves stealing relief pitcher Bruce Sutter from the St. Louis Cardinals for \$9 million, or the Toronto Blue Jays somehow trading for a bullpen of Bill Candill and Gary Lavelle.

What a bonus it would be if the dethroned world champions of 1983, the Baltimore Orioles, finally

found it in their hearts to buy some flashy free agents, such as Fred Lynn, Lee Lacy and Don Aase.

On top of this, it would be a big help if, after the disappointing pennant races of 1984, it seemed almost impossible to handicap any of the four division races for this season. It certainly would spark fan interest if, say, 19 or 20 of the 26 teams in the major leagues could make a rational argument that they might end up in the playoffs.

This could happen only if something strange transpired, like most of the best teams ending up in one division, say the American League East. And having most of the worst clubs in another division, like the American League West. And all the in-betweeners in the nobody's-too-good National League.

Everyone would be happy if the game's defending world champions were as yet not a completely proven team. For instance, a team like the Detroit Tigers, who might be great but might also be a one-year phenomenon. Add for spice one enormously popular ball club, a team that still played in a quaint old ballpark without lights, and had to atone for a monumental collapse that cost the pennant in 1984.

What more could we want?

Well, since we are talking optimum fantasy, why not throw in a possible strike by the players and a continuing salary explosion that jeopardizes the economic foundations of the game? What stakes could be put on the table for the strike? How about divvying up a billion-dollar, six-year network TV deal between the owners and players? We could ask how far apart the two sides were on basic dollar differences and get back a nice succinct answer: \$200 million.

We could have a player, Jim Rice of the Boston Red Sox, sign a contract that works out to \$2.5 million per season. We could have a three-year player, Wade Boggs of the Red Sox, who never has hit more than six home runs or driven in 75 runs, be awarded a contract of \$1 million a year by a federal arbitrator. That combination of factors ought to be a perfect recipe for economic chaos.

Let's get silly and keep piling on subplots. Why not have a new commissioner, a charismatic young fellow with enormous political potential who is riding a wave of success in other areas but who has no inside knowledge of baseball. Can he stabilize the old national pastime in its hour of financial shakiness?

Just to make sure that no baseball fan, anywhere, would be able to keep from twitching at the thought of the new season, we could pack the sport with the greatest influx of young stars that the old game had seen since the 1950s.

Such players as batting champions Don Mattingly and Tony Gwynn would have only a year or two under their belts. Strikeout champions such as Dwight Gooden and Mark Langston would be facing the infamous "sophomore

jinx." Gooden, only 20, would make people daydream about whether he might become the greatest pitcher ever.

New stars would appear so swiftly that fans constantly would be having to catch up on the life histories of players with fewer than four years of experience in the majors. Tell us more, they would say, about Boggs, Cal Ripken Jr., Kent Hrbek, Tom Brunansky (32 home runs), George Bell (26), Rich Gedman (24), Alvin Davis (116 runs batted in), Julio Franco, Ron Kittle, Greg Walker, Mike Boddicker, Bud Black (17-12), Storm Davis, Frank Viola (18-12), Dennis (Oil Can) Boyd, Roger Clemens, Ron Darling, Ernie Camacho (23 saves), Chili Davis, Ryne Sandberg (MVP), Johnny Ray, Kevin McReynolds, Juan Samuel, Darryl Strawberry, Alejandro Pena (ERA champion) and a dozen more.

Obviously, all of this is truth, not fiction. Maybe it always is this way in February. Maybe it always seems as if each spring training offers more than any other. Maybe the leadout from a mildly anticlimactic 1984 season makes us even more susceptible to the charms of a new year. On the other hand, maybe this season aborning is just as promising and fraught with danger, as it appears.

How will Henderson do as the Yankees' center fielder? Will he become heir to Mickey Mantle and Joe DiMaggio? Or will he become another victim of fly-ball outs in cavernous Yankee Stadium? Remember, Steve Kemp hit three homers in two years there and is gone.

Will the Mets' Gooden hold out for more money and risk one of the most promising early careers in history? Fernando Valenzuela sound on the business side of the game after his fabulous rookie year for the Los Angeles Dodgers and never again has won 20 games.

Seldom has baseball entered a season when so many teams seemed so dramatically changed, and when so many had a legitimate chance to win their divisions. If the Tigers slide just a notch, and they could after a basically stand-pat winter during which pitcher Milt Wilson (17-6) had major shoulder surgery, any of four teams could pass them in the American League East. For the first time, the Orioles have acquired some good free agents. For the first time, the Blue Jays have a bullpen. For the first time, the Red Sox have re-signed their superstars, Rice and Bob Stanley. Now the Yankees have some charm as well as talent.

There probably never has been a division as wide open as the American League West, because there probably never has been a division as bad. The Kansas City Royals are the defending champions, but almost any team can win here with 85 victories and a hot week in October's playoffs.



Sot Chitalada after retaining his flyweight title with a victory over Charlie Magri, at right.

Celtics Find Reason to Cheer in Losing to Nuggets

Los Angeles Times Service
DENVER — The rap against the Boston Celtics, as they try to defend their National Basketball Association title, has been their lack of depth. Most of the season, their

NBA FOCUS

coach, K.C. Jones, has been relying on six players to get the job done. Although they have been mostly successful, the Celtics did so partly because they avoided injury and had their six men in good health.

Now it turns out that Jones may have more manpower than anyone thought. As the Celtics closed out their toughest test of the season, playing their sixth game in nine nights Wednesday in Denver, they were missing four players, including injured starters Cedric Maxwell and Robert Parish. Maxwell, who had been placed on the injured reserve list, was to have arthroscopic surgery on his left knee Friday.

And only a great performance by the Celtics' 15-year pro, Dan Issel, prevented the Celtics from winning.

Issel, 36, who will retire after this season, made farewell to the Celtics by scoring six of his 22 points in the last three minutes, leading Denver to a 132-129 victory. It was the Nuggets' 12th consecutive victory at home and fifth in a row overall. They overcame another tremendous performance by Larry Bird, who, playing all but two minutes,

got 40 points, 9 rebounds and 6 assists.

The Celtics also were without M.L. Carr and Quinn Buckner, and they lost Jones when he was ejected on technical fouls in the second period. But they made it a contest all the way. In fact, Bird and Kevin McHale had them in front by four points with four minutes left.

At this point they seemed to run

out of gas in the face of the sharp-shooting of Issel and Calvin Natt.

Natt made two lay-ups in the final 77 seconds and pressured Bird into missing three shots down the stretch.

But for several minutes in the second quarter, Jones had a lineup of Bird, Scott Wedman, Greg Kite, Carlos Clark and Rick Carlisle, and

still the Nuggets couldn't pull away.

Elsewhere, it was Utah 110, New Jersey 104; Philadelphia 137, Golden State 116; Milwaukee 113, Detroit 112; Cleveland 102, Indiana 92; Dallas 104, Portland 98; Washington 105, San Antonio 104; Houston 126, Phoenix 122, and Seattle 118, the Los Angeles Clippers 105.

Penguins Down Flames to End Losing Streak

Compiled by Our Staff From Dispatches

PITTSBURGH — The youthful Pittsburgh Penguins finally saw their fresh approach pay off, after a month without victory.

Rookie goaltender Brian Ford, recalled from Muskegon of the International Hockey League, a day earlier, made 28 saves Wednesday night as the Penguins defeated the Calgary Flames, 6-3, to end a nine-game losing streak. They had gone 12 games without a victory.

Calgary's loss enabled the idle Edmonton Oilers, the leaders in the Smythe Division, to become the first NHL team to clinch a playoff berth this season.

In other games, it was Detroit 3, St. Louis 2; Boston 3, Minnesota 2, and Chicago 3, Montreal 2.

Also contributing to the Pen-

guins' first victory since Jan. 19 were three other NHL rookies. Troy Loney scored twice, Doug Bodger got one goal and Mario Lemieux had two and three assists. "Mario came here with a lot of hoopla and a lot of credentials," said the Penguins' coach, Bob Berry. "He's handled everything off the ice well and he's been even better on the ice for us."

"No question, this is my best game in the National Hockey League," said Lemieux, the top pick in the 1984 draft who earlier this month was selected as the most valuable player in the NHL All-Star Game.

But it was Ford's play that particularly made Berry look like a genius.

"That was the idea, to bring in someone that was fresh, and he came through with flying colors," Berry said.

"I was just happy to be on the winning team," Ford said. "I wasn't as nervous as I thought I would be. In fact, I was a little upset with myself because I didn't start since Dec. 29, 1983, when he went with Quebec and lost, 5-5, to Buffalo. He was acquired from the Nordiques last December."

"I didn't feel shaky. I was coming into a situation where we were not winning and there wasn't much pressure," Ford said. "If we win, I might be able to help turn things around. And if we lose, people will say, 'Oh well, it's 10.'"

The Penguins dominated the first period, keeping the puck in Calgary's end of the ice much of the time.

"That helped me adjust to the speed of the game. Instead of having them come right at me, I could adjust," Ford said. (UPI/AP)

SCOREBOARD

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Team	W	L	Pct.	GB
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Boston	41	22	.654	0
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Philadelphia	41	22	.654	0
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Washington	39	27	.591	5
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New York	27	37	.423	17
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Los Angeles	18	37	.327	28
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San Antonio	18	37	.327	28
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Phoenix	18	37	.327	28
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Portland	18	37	.327	28
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Seattle	18	37	.327	28
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Utah	18	37	.327	28
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San Diego	18	37	.327	28
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Golden State	18	37	.327	28
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Los Angeles	18	37	.327	28
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San Antonio	18	37	.327	28
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Pacific Division

L.A. Lakers	39	16	.709	0
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Phoenix	27	29	.482	12
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Portland	27	29	.482	12
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Seattle	27	29	.482	12
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L.A. Clippers	27	29	.482	12
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Golden State	27	29	.482	12
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San Diego	27	29	.482	12
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Los Angeles	27	29	.482	12
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San Antonio	27	29	.482	12
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Phoenix	27	29	.482	12
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Portland	27	29	.482	12
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Seattle	27	29	.482	12
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Utah	27	29	.482	12
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San Diego	27	29	.482	12
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Golden State	27	29	.482	12
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Los Angeles	27	29	.482	12
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San Antonio	27	29	.482	12
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NBA Standings

WESTERN CONFERENCE

Midwest Division

Team	W	L	Pct.	GB
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Denver	39	16	.709	0
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Phoenix	27	29	.482	12
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Portland	27	29	.482	12
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Seattle	27	29	.482	12
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L.A. Clippers	27	29	.482	12
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Golden State	27	29	.482	12
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San Diego	27	29	.482	12
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Los Angeles	27	29	.482	12
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San Antonio	27	29	.482	12
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Phoenix	27	29	.482	12
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Portland	27	29	.482	12
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Seattle	27	29	.482	12
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Utah	27	29	.482	12
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San Diego	27	29	.482	12
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NBA Standings

WESTERN CONFERENCE

Pacific Division

Team	W	L	Pct.	GB
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Los Angeles	39	16	.709	0
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Phoenix	27	29	.482	12
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Portland	27	29	.482	12
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Seattle	27	29	.482	12
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L.A. Clippers	27	29	.482	12
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Golden State	27	29	.482	12
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San Diego	27	29	.482	12
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Los Angeles	27	29	.482	12
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San Antonio	27	29	.482	12
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Phoenix	27	29	.482	12
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Portland	27	29	.482	12
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Seattle	27	29	.482	12
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Utah	27	29	.482	12
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San Diego	27	29	.482	12
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NBA Standings

WESTERN CONFERENCE

Midwest Division

Team	W	L	Pct.	GB
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Denver	39	16	.709	0
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Phoenix	27	29	.482	12
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Portland	27	29	.482	12
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Seattle	27	29	.482	12
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L.A. Clippers	27	29	.482	12
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Golden State	27	29	.482	12
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San Diego	27	29	.482	12
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Los Angeles	27	29	.482	12
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San Antonio	27	29	.482	12
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